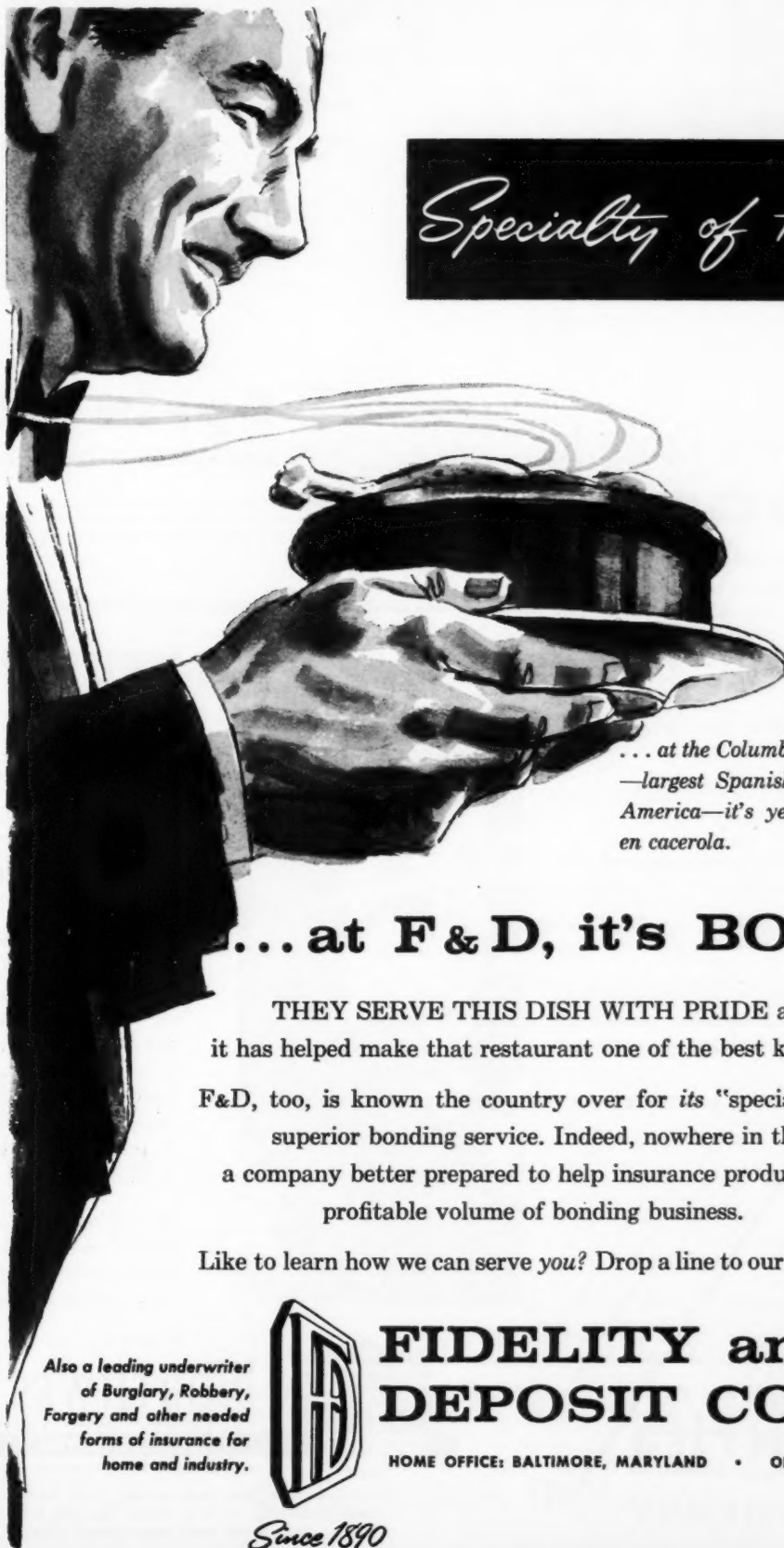


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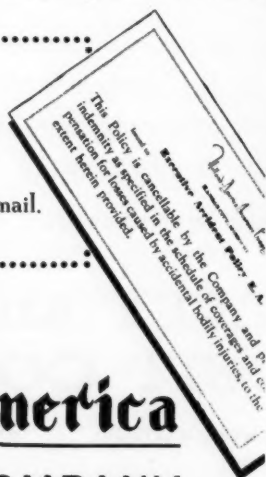
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Agent Gets \$44,000 Judgment in Suit on Agency Ownership

MILWAUKEE—Jack O. A. Nelsen, district and local agent of Wauwatosa, was awarded \$44,000 damages by a jury in county circuit court here in his breach of contract suit for \$150,000 against Farmers Mutual Automobile and Farmers Mutual Managers Inc. of Madison.

A former district and local agent for Farmers Mutuals, Mr. Nelsen charged that his contract was terminated after he had built up a profitable district and local insurance agency and that the defendant took both over. He said he had built the district agency from a small number of agents and \$6,500 annual premiums in 1938 to 68 agents and \$47,528 in premiums by the end of 1953.

His suit, started in circuit court Oct. 13, 1954, charged the insurer terminated its contract with him in December, 1953, without cause and breached a verbal agreement which gave him exclusive ownership of the district and local agency and permitted him to operate a personal agency including representation of other companies. Mr. Nelsen was manager for parts of Milwaukee, Waukesha and Ozaukee counties.

Mr. Nelsen claimed that he was discharged after 16 years of service in violation of the verbal agreement made at the time he was hired in 1938. He contended that the company took away his property rights in the district and local agencies. He was replaced by a representative of Farmers Mutual Managers Inc. which he said was composed of a small group of officers of Farmers Mutual Auto. He named the management corporation as a co-defendant, charging that it controlled the decisions of the insurer.

The special verdict answered by the jury consisted of seven questions. The first six questions presented issues of fact and the seventh was for damages. The jury gave consistent answers to

Firemen's of Newark Brings Suit Against Cooney for \$376,500

John R. Cooney, former president of Loyalty group, has been indicted on charges of embezzling \$262,206 from Firemen's of Newark. In a series of seven indictments returned by the Essex county grand jury, Mr. Cooney is accused of misappropriating the funds from the company by means of false bookkeeping entries, and destroying company records. John E. Dearden of Philadelphia, who publishes the American Underwriter, is named as co-defendant in three of the indictments, which list a total of 307 counts, each alleging a specific fraudulent act.

Firemen's of Newark has filed suit against John R. Cooney, former president, charging him with misuse of funds. The company is seeking the return of \$368,000—part of \$668,942 it alleges Mr. Cooney fraudulently appropriated from its petty cash accounts, and \$8,500 for 16 of 21 air conditioning units he ordered for the company when he was in charge. The company received five. The rest are reported missing.

The complaint filed in superior court in Trenton says Mr. Cooney secured the \$668,942 "under the pretense, known by him to be false, of executive advertising." He has repaid \$300,942, but has refused to return the balance, according to the complaint.

Mr. Cooney's financial operations while he was president of Loyalty group are currently under investigation by the New Jersey insurance department. They first became the subject of a probe in 1954, at which time no evidence of illegality was found. The investigation was renewed, however, following his repayment of \$300,942 to the company. Mr. Cooney resigned as president of Loyalty group last July.

the fact questions and awarded Mr. Nelsen \$39,000 damages for the loss of his district agency, and \$5,000 for the local agency.

The law firms of Kaftan, Kaftan & Kaftan of Green Bay, and Cape & Schellinger of Milwaukee represented Mr. Nelsen. This action is considered a test case, as district and local agents of the defendant insurance company in Wisconsin, Minnesota, Nebraska, Iowa, Indiana and Missouri are expected to start similar actions on allegations that their agreements were also terminated.

Standard Mutual of Springfield, Ill., has moved into its new home office building on South Grand avenue.

Cal. Insurers Win Battle on How WC Shall Be Written

The California legislature has passed and sent to Gov. Knight a bill to prohibit premium discounts and retrospective rating for workmen's compensation. The governor is expected to sign it.

This is a major victory for California participating WC companies, which, with the state fund, write about 80% of the \$160 million compensation market in the state. The legislative action makes illegal Ruling 67 promulgated by former Commissioner J. R. Maloney in 1952 to permit premium discounts and retrospective rating. California participating companies took Ruling 67 to court and after five years of litigation Mr. Maloney was upheld. He was, however, not reappointed commissioner, that job going to F. Britton McConnell, one of the leading opponents of Ruling 67.

Mr. McConnell conducted several hearings on the discount plans at San Francisco and Los Angeles, and at the same time a bill to eliminate Ruling 67 was introduced in the legislature.

John D. O'Hara represented the California participating companies before the legislature in favor of the bill, and Perry Taft, Pacific coast manager of Assn. of Casualty & Surety Companies, appeared in opposition. Mr. O'Hara claimed that California has the best workmen's compensation system in the country.

During the years of litigation over Ruling 67, several of the large eastern companies entered the participating field, and apparently all will have to do so now if they want comp business in California. The so-called bureau companies have consistently lost ground in the WC field in California since 1917, now being at the level of about 10%. The California participating companies, most of which were organized to compete with the state fund, pay 5% less commission than the non-participating bureau insurers, but they have become giants and with the entree of WC have added other business.

One obvious conclusion to be drawn from the passage of the comp bill in California is that the coast companies are determined to write business in their territory in their own way.

Kemper Club Elects P. T. Dalton

Kemper Insurance Men's Club has elected Phillip T. Dalton president to succeed Len W. Hagerup, and has named Carl H. Koebel and Thomas A. Garvey vice-presidents, Charles L. Massey secretary, and Carl C. Meinhardt treasurer. The club is composed of employees in Chicago.

General Agents Assess Situation at Fla. Parley

Large Attendance, Full Program Feature Miami Beach Convention

By KENNETH O. FORCE

MIAMI BEACH—About 300 general agents, company executives, and company organization men attended the annual convention of American Assn. of Managing General Agents here. A notable characteristic of the crowd was the large number, about 130, of wives who attended, double any previous record, and undoubtedly attracted by the fame of the Fontainebleau. Mrs. Dorothy Zeitz, assistant secretary of the association for 25 years, was a guest of the organization.

President F. W. Brundick Jr. of Jacksonville handled the presentation of a program that was exceptionally sound. General agent speakers, who included Hunter Lyon Sr. of Miami and George B. Leonard of Atlanta, emphasized the problem facing the general agency system today and suggested a number of ways in which they can make more of a contribution to the solution of those problems for the benefit of company, agent, and buyers.

William Leslie, general manager of National Bureau of Casualty Underwriters, prepared an address in which he did an excellent job of telling the rating bureau story. He was unable to attend because of a conference with Superintendent Holz of New York on automobile rates, and his paper was read by W. E. Stansbury, casualty vice-president of Hanover Fire.

Commissioner Larson of Florida in his speech described the industrial and commercial growth of the state. Direct premiums totaled about \$70 million in 1940 and will run about \$553 million in 1956, he said.

William B. Rearden, president of Loyalty group and head of Underwriters Salvage Co., told the story of that organization, and Robert E. Battles, president of National Assn. of Insurance Agents, described the new association advertising plan.

These talks and others on the program will be reported in next week's issue.

Ind. Agents Get Details of New Farm Rating Plan

More than 425 Indiana agents attended 11 meetings held during May by Indiana Fire Underwriters Assn. to explain the workings of the newly approved special farm survey and credit rating plan. The plan, similar to one in effect in Minnesota for several years, gives rate reductions to farm buildings of superior character and excellent repair.

Meetings were held in Lafayette, Scottsburg, South Bend, Greensburg, Evansville, Fort Wayne, Muncie, Washington, Logansport, Terre Haute and Indianapolis. Fred G. Kent, Home, was general chairman of the caravan.

Highlights of the Week's News

Multi-peril conference elects R. H. Lange executive chairman	Page 30
Coverage of Georgia agents annual begins on	Page 7
1957 may be first \$1 billion fire loss year	Page 2
Health Council survey shows further rise in number of insured	Page 2
1,530 at IASA annual in Chicago see latest in data processing wares	Page 3
Story of Florida agents annual begins on	Page 11
Upper Peninsula agents meet, elect Hupy	Page 16
Bill to reorganize Texas department wins by big vote	Page 4
Second Chicago agency cuts commissions, others may follow	Page 4
Postpone trial on Con-Am and West Buechel, Ky., bonds	Page 4
Mutual insurers study multiple peril forms, operations at Chicago	Page 28
First international insurance meetings held in Philadelphia	Page 28
New law gives Texas department power on deviations	Page 5

Late News Bulletins ...

New Auto Rate Filings Made in New York

National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau have submitted filings to Superintendent Holz asking for new auto liability rates in New York.

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1957 May be First \$1 Billion Fire Loss Year: Hullett

National Board, at the annual meeting last Thursday evening in New York, heard President James C. Hullett say that in light of the rising fire losses and lower underwriting profits facing property insurers this year, 1957 may well be the first billion dollar fire loss year in history.

Mr. Hullett, president of Hartford Fire, was reelected president of the board. Harry W. Miller, general U. S.



Harry W. Miller



James C. Hullett

attorney of Commercial Union-Ocean group, was renamed vice-president, and D. R. Ackerman, chairman of Great American, was reelected treasurer. F. Elmer Sammons, president of Hanover Fire, was elected secretary.

Mr. Hullett said monthly fire losses in 1957 have been running at the rate of a billion dollars a year, and pointed out that underwriting profit has declined year by year and in five-year periods.

"Not one of us would venture to predict the loss trend," he said. "It has been established that the relationship of the elements or groups of elements that go into a sound schedule of charges for property insurance cannot be altered by guesswork."

"The underwriting profit in the fire insurance business," he said, "is restricted to a narrow margin and does not permit latitude for speculation. At no time during the last five years has the amount realized equalled the permissible margin."

"So far this year," he added, "fire losses are averaging \$100 million a month—\$401,400,000 for the first four

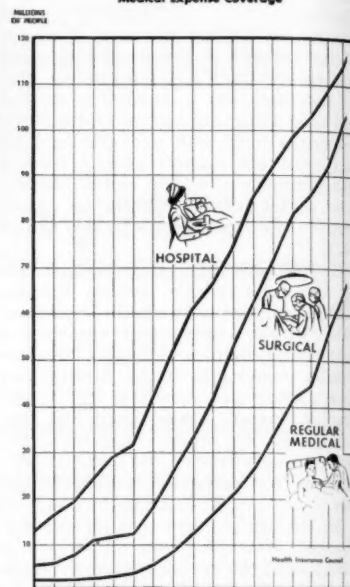
(CONTINUED ON PAGE 26)

Health Council Survey Shows Further Rise in Number of Insured

More than \$3 billion—a rate of nearly \$10 million per day—of the nation's health care bill will be paid in 1957 through voluntary health insurance programs, according to Health Insurance Council. The estimate is based on the results of the council's annual survey of health insurance coverage in the United States.

The council, in a projection of 1956 figures on health coverage, estimates that as of May 1, some 118 million persons were protected against the

Growth of Hospital, Surgical, and Regular Medical Expense Coverage



cost of hospital expenses through voluntary health insurance programs, 103 million were covered for surgical expenses, 67 million had policies covering regular medical expenses, and 10 million were insured against major medical expenses. The council says this indicates more than 70% of the total civilian population is protected by some form of voluntary health coverage.

The survey covered the period Jan. 1 through Dec. 31, 1956, and is based on reports of health insurance programs conducted by insurance companies, Blue Cross-Blue Shield and other health care plans.

The council reported that insurance companies in 1956 paid a total of \$695 million in benefits on loss of income policies. This figure, added to the \$2.9 billion paid in other health benefits, would bring the total benefit payments for 1956 to \$3.6 billion.

Advances in all types of health coverage were shown in the report. During the year, the number of people covered by hospital care insurance rose by 8 million, the number covered by surgical expense increased 9 million, and those covered for regular medical expenses rose 9 million.

Hospital care insurance remained the most popular form of health insurance in terms of number of people covered, with 66,259,000 persons holding policies from insurance companies; 53,162,000 enrolled by Blue Cross-Blue Shield; and 4,654,000 protected through miscellaneous plans. Making allowance for people covered by more than one type of insuring

(CONTINUED ON PAGE 25)

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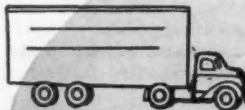
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1,550 at IASA Annual in Chicago See Latest in Data Processing Wares

The annual international conference of Insurance Accounting & Statistical Assn. at Chicago last week was by far the largest ever held in the mid-west by the growing group which, with 710 member companies, boasts itself the largest of all insurance organizations.

More than 1,500 delegates registered to participate in the three-day working conference on insurance "record keeping" and to have a look at a vast display of office equipment and other operating hardware, including the latest in electronic data processing.

That machinery is of ever increasing importance to the insurance industry was demonstrated by the size of the exhibitor's section. Some 75 display booths were occupied, almost double the space used a short year or two ago.

IASA as an insurance organization also is growing in importance, going from some 140 to 710 members in 15 years, and still growing at the rate of 5% a year.

Leilyn M. Cox, Employers Mutual, was elected president of IASA for 1957-1958, succeeding Rodney B. Wilcox, Connecticut General Life. Vice-presidents elected are R. D. Clancy, Liberty Mutual; J. A. Dryer, Standard Accident; J. D. Hicks, Fidelity Mutual Life; E. E. McCandless, United Benefit Life; L. S. Rinehart, Nationwide Mutual, and Ervin Wetzel, Allstate. The four directors, for fire, casualty, life, and A&S respectively, are N. C. Norrell, Anchor Casualty; R. G. Espie, Aetna; J. C. Smith, Imperial Life of Canada, and G. B. Klein, Woodmen Accident & Life.

The conference was divided into seven different programs. They were fire and casualty, life, A&S, group, fraternal, industrial, and electronics. There also were many special events and a general session during which Joseph Gerber, Illinois insurance director, welcomed the delegates to the state. He emphasized the importance of continuing state regulation of insurance, pointing out that it is his goal to make the Illinois department such an ably staffed and "cracker jack" operation that federal intervention won't be wanted nor needed.

The principal speaker at the general

session was Bob Considine, noted reporter, columnist, and author, who described his awesome experience as witness to the atomic explosion at Eniwetok.

Keynote of the popular electronics program was Samuel Alexander, chief of data processing for the bureau of standards of the U. S. Department of Commerce, who discussed "The Applications of Electronic Techniques."

Mr. Alexander forecast the end to the "dinosaur" stage of electronic data processing machinery. Coming in its place, he indicated, is smaller, more compact, more adaptable, less expensive machinery.

He suggested that one of the biggest problems in data processing today probably is not so much the systems themselves as it is to make the right selection from among such "a bewildering array" of competitive products.

Mr. Alexander traced the impressive progress of data processing machinery in the past decade, but pointed out that despite their growing adaptability, these machines certainly are not "electronic brains," as popularly called. They are, he said, more automatic than electronic and "probably the most expensive stupes" in existence. He suggested that the "built in stupidities" of the machinery is best overcome by those who set up the jobs for automatic processing.

Mr. Alexander said that it has taken but one short decade since 1946, when the first electronic computer was introduced to industry, to develop this equipment to the point where sales reached \$100 million in 1956.

Buyers Insurance Forum Will Meet June 11-12

Savings Banks Insurance Forum of New York will hold its annual upstate meeting June 11-12 at the Thousand Islands Club on Wellesley Island, Alexandria Bay, N. Y. Clarence W. Herold, manager of South Brooklyn Savings Bank, is chairman.

Insurance speakers will include William J. Zimmermann of Surety Assn., Sedgley Thornbury of Agricultural; W. J. Allen of Ocean Accident; Fred Abdo of London Assurance, and George Cowan of Johnson & Higgins.

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Bill to Reorganize Texas Department Wins by Big Vote

AUSTIN—Ouster of the present Texas board of insurance commissioners through creation of a state board of insurance plus a new executive commissioner of insurance is provided in a measure passed overwhelmingly by the legislature May 23, after a political battle waged successfully by Gov. Daniel.

On the following day Commissioner Mark Wentz resigned, issuing a statement pointing to his official services. John Osorio, who has been chairman since January, has indicated that he will stay in office until the new board takes over, and Joe P. Gibbs, the third member, accepted the appointment on a temporary basis.

Under the bill the new board will serve full-time through Aug. 31, 1958, with each member receiving \$15,000 annually, and after that the board will go on a part-time basis, with a per diem of \$50 and expenses. The board is to act in a supervisory capacity, with administration of all details placed on the new commissioner, whose salary will be \$20,000 a year.

The act carefully spells out the point that the board must operate as a unit and is to "determine policy, rules, rates and appeals" for the commissioner to execute, and of course sets up a procedure of hearings and appeals to courts on contested rulings.

No person "directly or indirectly interested" in insurance is eligible for appointment to the board or as commissioner nor can he accept employment in the board, according to the act, the only exceptions being an insured or beneficiary. The appointees must have had 10 years of "successful experience in business, professional or government activities," and the commissioner, who is to be selected by the board, must have had "at least 10 years in administrative or professional experience and shall have had training and experience in the field of insurance or insurance regulation."

Some other stipulations: Board members may not run for any public office without first resigning; they may not accept "any money, gift or anything of value" from any insurance company or agent, subject to a prison term for conviction, and the same prohibition applies to the company or agent making the offer.

Finally the act, in rounding out the complete divorce of the board from the insurance fraternity, provides that within three years the board must move its offices into quarters that are not connected with any insurance company, agency, broker or adjuster. In fact, an appropriation is set up of all unexpended balances on hand or in special funds to provide a site and office building for the board, obtained through the state building commission.

Gov. Daniel hailed the measure as meaning a "new administration of the insurance laws," but a number of legislators called the new plan unsatisfactory even though they voted for it.

Mr. Wentz, in submitting his resignation, said in part: "Some of my decisions during my tenure were sure to displease certain influential people in the industry and the state and could not be expected to endear me to the selfish interests whose excessive profits were reduced. . . . I am proud to stand on my three-year record of accomplishment."



A group of 26 students from Illinois Wesleyan university pictured at Chicago on a field trip during which they visited western departments and company trade organizations. Western Underwriters Assn. was host to the group, headed by Dr. H. W. Snider, professor of insurance.

The students were in Chicago for two days, starting their trip with an informal discussion in the WUA offices, and then visiting, in small groups, America Fore, Fireman's Fund, Great American, and Hartford Fire. On the second day, they heard talks on multiple line concept by L. V. Grady of Home; business interruption by G. T. Refoy of Western Adjustment, and fire rating by D. P. Skaer of Cook County Inspection Bureau. There was a tour of Underwriters Laboratories on the second afternoon.

Earlier, 15 students majoring in insurance at the University of Illinois took a similar tour. Robert A. Hedges assistant professor at the university, was in charge.

At Illinois Wesleyan, where the enrollment is 1,200, there are 100 insurance students, an unusually high percentage.

Postpone Trial on Con-Am and Bonds of West Buechel, Ky.

LOUISVILLE—Trial of an Alabama law suit involving a \$2 million issue of revenue bonds of West Buechel, Ky., a hamlet just south of Louisville, has been postponed until June 19 by District Judge Grooms at Montgomery, who agreed to the postponement May 22 after a petition had been filed for reorganization of Consolidated American Industries.

The suit asks changes in four companies, including Con-Am. It is charged in this suit that the purchase of the West Buechel bonds was merely an example of the mismanagement by Con-Am. It is contended the bonds are worthless.

The West Buechel bonds were sold to BenJack Cage for \$275,000 in cash and a 5% note. It is alleged that they were then sold by Mr. Cage to, among others, Atlas Ins. Co. of Birmingham, a Con-Am affiliate, and other securities of Atlas were then sold by its management, leaving Atlas out on a limb. Mr. Cage was able to unload some of the bonds on other insurance companies, one of which put up \$200,000 worth of them as a deposit with the Alabama department.

The revenue from the West Buechel bonds was to come if and when certain sub-divisions of West Buechel were developed and if and when sewer, water and other improvements were put in and new property owners could be found to pay taxes. The attorney for West Buechel has pointed out that the city has lost nothing, even though BenJack Cage has failed to pay his first installment of 5% interest on the 75% of bonds he bought on credit.

Grand Rapids Casualty Assn. Elects Neal Lynch

New officers of Grand Rapids Casualty & Surety Assn. were installed at the May meeting.

President is Neal Lynch of Fire Association; vice-president, W. L. Hall Jr. of Zurich; secretary, Robert Grube of Hawkeye-Security; and treasurer, Louis DeKrauze of Hartford Accident.

Announcement was made of the annual summer field day outing June 21 at Silver Lake Country Club.

HEW Doctor Says 66% of Population Uninsured for Medical Care

Approximately two-thirds of all Americans lack insurance against medical care expenses, Dr. A. C. McGuinness, special assistant in U. S. Department of Health, Education & Welfare, told St. Louis Medical Society last week. He estimated that about 55 million persons do not carry hospitalization insurance and that 75 million have no surgical insurance protection. (See story on page 2.)

"The role of the federal government should be to encourage the further growth of voluntary insurance in every sound way," he said. One such way would be enactment of legislation to enable smaller insurers and non-profit associations to pool resources in order to expand their services to the public.

Dr. McGuinness also listed some of the government's efforts to improve medical care, including grants for medical research, expanded programs for scientific traineeships and fellowships, and studies designed to aid in securing hospital and medical care for more persons. Federal aid in construction of medical schools is also being sought, he said.

Keehn Promoted on Coast by Springfield F.&M.

William T. Keehn, who has been agency superintendent for Springfield F.&M. in the Pacific department, has been appointed manager of the Los Angeles branch office succeeding the late Roy C. Bell.

Mr. Keehn is a veteran of more than 20 years in the business in New York and the Pacific coast with claims, underwriting and production experience. He is a past president of Casualty Insurance Assn. of Washington. He joined Springfield F.&M. in 1955 as superintendent of agencies in the casualty and bond division in San Francisco and later became agency superintendent in the agency division.

Union Automobile Indemnity of Bloomington, Ill., has appointed as regional managers Keith H. Lyon at Greencastle, Ind., and Daniel O. Rhodes at Fort Wayne. Both men have completed the home office training school.

2nd Chicago Agency Cuts Commissions, Others May Follow

A second Chicago general agency has moved to reduce commissions to brokers on small premium items and a number of others are thinking of pursuing this line, which appears to be headed for consideration before Chicago Board of Underwriters.

Conkling, Price & Webb is the latest agency to adopt this plan upon the emergence of evidence that operating costs per item of \$25 or less are substantially more than overriding commissions. In a letter to brokers, Conkling, Price & Webb has disclosed that no commission will be paid for premiums of less than \$11, regardless of the class of business, and \$11 to \$25 premiums will pay only 10%, regardless of class.

The Rockwood Co. introduced a similar program some time ago, and is the only other agency practicing it. However, several other leading agencies are discussing it, and one executive has reported that he is planning on bringing the matter before the Chicago Board, explaining that "if everyone does it, it will be better for the industry."

Leading to the Conkling, Price & Webb decision were results of compilations by Statistical Tabulating Co. "It was the most revealing thing we have ever seen," Harold W. Giff, vice-president of Conkling, Price & Webb, said, disclosing that the cost per item amounted to \$7.03 for everything put on the books, including a labor cost of \$4. "We were accommodating the other guy at a terrific expense to ourselves," he said, adding that "now we will cater to the guy who is paying his way."

Mr. Giff said the majority of brokers have accepted the new commission scale and are making efforts to pay small quarterly premiums on an annual basis to get over the \$25 minimum, and ordering three year policies instead of one year plans. After brokers have worked out their premium program, they will get as much in commissions as before, he predicted.

Buchel Heads Dallas Insurance Club

A. R. Buchel, senior vice-president and secretary of Gulf and Atlantic, was elected president of Insurance Club of Dallas to succeed D. C. Williams of Southland Life at the annual meeting this month. Other new officers are: 1st vice-president, L. Mortimer Buckley, New England Mutual Life; 2nd vice-president, Arthur E. W. Barrett of A. E. W. Barrett Co.; treasurer, W. L. Gravely, Home, and secretary, Charles W. Morgan, General Adjustment Bureau.

Five new directors were elected, they being: James E. Wallace, Wallace agency; C. W. Morgan, GAB; P. L. Pitts, Fireman's Fund; Raymond Campbell Jr., Massachusetts Mutual Life; R. N. Lewis, Great National Life, and Hancel McCord.

W. A. Alexander & Co. general agency of Chicago will move its Springfield, Ill., branch office to 1201 South Sixth Street. An open house will be held the afternoon of June 7. A number of executives from the Chicago headquarters will be on hand. R. Wayne West is manager at Springfield.

Laymon, Sedwick Advanced by Standard Accident

Paul E. Laymon, vice-president and general counsel of Standard Accident and Planet, has been elected vice-pres-



T. L. Sedwick



Paul E. Laymon

ident and secretary of the companies, succeeding J. P. Hacker, who retired recently. T. L. Sedwick, vice-president, has assumed Mr. Hacker's duties as chief executive of the bonding operations. William A. Wickham has been advanced from associate to general counsel.

Mr. Laymon joined Standard Accident in 1941 as associate counsel after having served as judge of the Indiana appellate court. He became general counsel of the companies in 1943 and vice-president in 1946.

Mr. Sedwick started with Standard Accident in 1926 in the bonding claims department, becoming superintendent of bond claims in 1937. In 1943 he was appointed executive secretary, and in 1955 was elected vice-president.

Mr. Wickham joined the company as a claims attorney in 1937, and in 1941 was made attorney assistant. He became assistant counsel in 1946 and associate counsel in 1952.

Erie Exchange Losses, Texas Casualty Loss Ratio Are Overstated

Figures for Erie Insurance Exchange of Erie, Pa., and Texas Casualty of Austin were incorrectly reported in the annual review of automobile insurance experience of THE NATIONAL UNDERWRITER.

Erie Exchange was shown to have an earned-incurred loss ratio of 75% on losses of \$5,439,264 and premiums of \$7,222,124. Actually, the incurred losses were \$3,897,432 to produce a loss ratio of 54%.

In the case of Texas Casualty, the loss ratio, through a typographical error, was shown to be 431.9% on earned premiums of \$1,014,188 and incurred losses of \$444,253. The ratio should have read 43.1%.

Ohio 1752s Elect Cain

A. R. Cain, Beacon Mutual Indemnity, has been elected president of 1752 Club of Ohio. Charles P. Osterle is vice-president and Russell Davis Jr. is secretary.

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Illinois Bureau Elects Russell

Illinois Bureau of Casualty Insurers at its annual meeting in Springfield last week elected Neil C. Russell of Chicago Motor Club as president.

President C. H. Neyhart of Economy Fire & Casualty introduced Director Gerber of Illinois, who gave the welcoming address. E. J. Thau, manager of Illinois Automobile Assigned Risk Plan, reported on activities of his organization last year; Russell H. Matthias of the Chicago law firm of Meyers & Matthias, talked on the legislative outlook, and E. H. Lasseter, Illinois National, discussed arbitration under the uninsured motorist coverage in view of existing laws in many states restricting arbitration.

Arrangements for the meeting and recreation at Illini Country Club are under the direction of C. L. Morris, president of Illinois National, who acted as toastmaster at the banquet. Members of the department were at the entertainment.

In addition to Mr. Russell, the other officers are: 1st vice-president, C. M. Fish, Freeport; 2nd vice-president, C. C. Herrmann, Motor Vehicle Casualty; secretary, H. H. Rhein, Auto Club Exchange of St. Louis, and treasurer, L. A. Trunck, Western States Mutual.

Antoine, Schmitz Explain UM Coverage at St. Louis

Louis H. Antoine and Harold A. Schmitz of American group explained details of uninsured motorist coverage to members of St. Louis Insured Members Conference of Associated Industries of Missouri at a luncheon meeting May 28.

Court Rules Talk at L. A.

LOS ANGELES—Casualty Insurance Adjusters Assn. of Southern California at the May meeting heard a talk by Stephen J. Grogan, an attorney, who discussed rules of evidence in court trials.

New Law Gives Tex. Department Power on Deviations

AUSTIN—Authority has been given the Texas department to approve or deny deviation filings on fire rates in a bill that passed the legislature May 22 after extended committee hearings and intra-business conferences and agreements. If approved by the governor, as expected, the measure will become effective 90 days after adjournment, or Aug. 22.

The bill is described as placing deviation filings in Texas under the same general regulations used in most other states, being designed to bring order out of a confusing situation. Its progress through the legislature was bitterly fought, winning approval in the house by the close vote of 72 to 59.

Under present law the department merely "accepts" a filing as a matter of formal record, but the new law spells out financial and experience factors that must be used in determining its position either approving or denying the filing.

Deviations in effect at the time the new law becomes effective will have to be re-submitted within 30 days and will remain in effect until the department enters its order permitting or denying the application or during any subsequent appeal. This is taken to mean that all filings will have to meet the new requirements.

Three last-minute amendments were described as keys to final acceptance of the measure. One provided that supporting data for a deviation is public information; another directed that a hearing shall be called on request of "any aggrieved policyholder" of the deviating company instead of just "any person," and the third was the normal exemption of mutual and reciprocal companies.

Minneapolis Insurance Club Elects

MINNEAPOLIS—Warren W. Foster, Aetna Casualty, has been elected president of Insurance Club of Minneapolis. Frank C. Esterly Jr. of the K. D. Hacking agency is vice-president, and Clyde B. Helm was reelected secretary-treasurer. Joseph G. Opsal, Minneapolis agent and retiring president, was re-elected a director.

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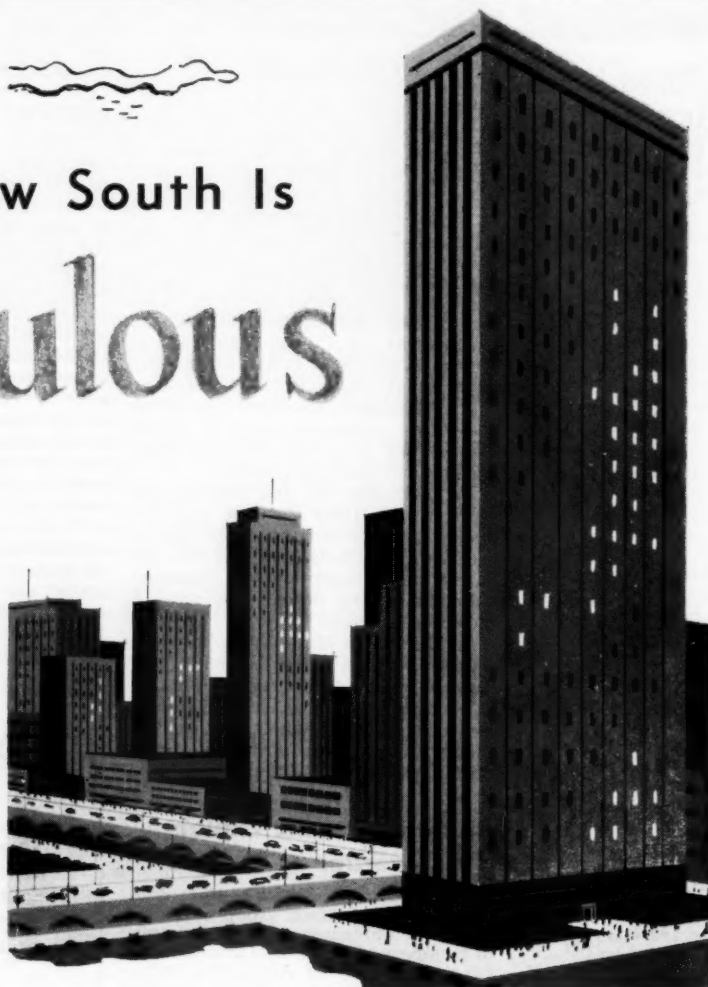
The New South Is fabulous

THE SOUTHERN GIANT IS AWAKE*

Through centuries he slept easily, undisturbed by the prehistoric Mound Builders or their descendants, the American Indians. Then about 400 years ago, explorers from the Old World began poking at him. DeSoto came up through Florida and Georgia in 1541 and stood on the banks of the Mississippi at Memphis. The great LaSalle claimed the entire Mississippi Valley for France in 1682. Swarms of English, Spanish and French arrived over the years, but eventually the young American colonists emerged as sole proprietors of this fertile land.

Now the jungles are gone, the Indians vanished. The swish of crinoline, the rattle of coach wheels, the hand farming, the slow, lazy way of life that many men living today remember . . . all are gone.

Flying from Dallas to Atlanta, you can't miss the signs of new construction, expanding cities, new industry on the march. Yet, with its sleek new ranch homes, sports cars and newest fashions, the Deep South has retained much of its graciousness. The soft-toned speech, the unfailing courtesy, the suggestion of plantation touches in city architecture . . . all are part of the heritage, keep the visitor pleasantly aware he is in the South.



Parts of the past do linger on. In Vicksburg and Natchez, great white-pillared mansions overlook vast stretches of delta land. At New Orleans, the France of two centuries ago seems very near. Here and there in Georgia, ante-bellum homes and plantations survive in lessening number but nonetheless lordly splendor.

Yes, the Deep South is deep in tradition . . . but also deep in a giant economic rebirth. Cities like Dallas and Houston and Miami point with pride to rocketing statistics. And in Atlanta, the financial and industrial capital of the Southeast, you can almost feel the surge and pulse of new business life. The Southern Giant is awake.

*Text of this entire message is taken, with permission, from a route map of DELTA AIR LINES, to whom we express our appreciation.

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ATLANTA, GEORGIA

Ga. Agents Eye Challenges Ahead

Thinks System Is Good One but Poor Agent Is on Trial

Addy Describes Qualities by Which to Measure Whether Agent Earns Commission

AUGUSTA—The agency system is not on trial, but some of its individual members certainly are, John V. Addy, vice-president of Appleton & Cox, told Georgia Assn. of Insurance Agents at its annual convention here.

Direct writing competition, the greatest single problem facing the agency system today, is increasing and gives every indication that it is here to stay, he said. Some segments of the buying public simply cannot resist the come-on of a reduced price, he said—or the illusion of a reduced price. Most sales are designed for two purposes only—to rid the establishment of merchandise which was not saleable at the original price, and to get more customers in the store to buy regular merchandise at regular prices.

He said agents and their companies must face the price appeal of direct writers. The differential in price is the agent's salary for performing a local service in the sale and servicing of a national product.

Any company, he said, could meet rate and premium competition if it reduced its costs by the agent's earnings. "True," he added, the company might "be forced to open a store—put in a few other cut rate products such as off brand refrigerators, window shades and toilet seats to attract the customers and convince them the company was in the cut rate business and insurance was just another commodity it could sell for a little less. Fortunately, however, most insurance companies recognize the great importance of the local agent in the insurance picture and will continue to write their business through qualified agents—who will not only secure the original order but who will carry through the many other services which follow the sale."

There is always room for honest differences of opinion as to the method of selling a product, he said. No one can take exception to the company which feels it can operate without agents. The shortcomings in such a system can be proved, but the right is there to use it.

He said he could not understand the companies that seem to be half sold on direct operation and half convinced the agent is of some value. They use the agent to keep their name before the public for the sale of their product, but after the sale is made, take the attitude that the business is then the property of the company.

It is absolutely necessary for the agent to maintain and improve his status as an independent operator, Mr. Addy believes. Every normal function of the agency the agent surrenders to a company only weakens his position. Agents have met price competition before, he said—by going to work, by

(CONTINUED ON PAGE 22)



Officers of Georgia Assn. of Insurance Agents at the executive committee meeting which preceded the annual convention in Augusta. From left, William N. Day, executive secretary; Wyndell C. Dykes of Cochran, first vice-president; C. A. Meriwether of Atlanta, second vice-president; C. Robert West of St. Simons Island, president, and Harry M. Carter, Savannah state national director.

New Auto PHD Fleet Rating Changes, Other Developments Reviewed at Workshops

AUGUSTA—Two workshops featured convention sessions of Georgia Assn. of Insurance Agents here. At one the changes being developed by National Automobile Underwriters Assn. in its fleet rating formulas, which are proposed to become effective July 1, were delineated by Howard P. McGoogan, assistant branch secretary of NAUA at Atlanta. Robert P. Harris, manager, presented an interesting picture of the operations of Georgia Inspection & Rating Bureau.

Others who participated in this session, which was moderated by Sam E. Taylor of Seibels, Bruce & Co., were Tom J. Hayes, assistant secretary Southeastern Underwriters Assn., who discussed errors and omissions, reporting form, and commercial property floater; and Frank R. Beall, territorial manager of General Adjustment Bureau. Accompanying Mr. Beall was Charlie E. Dickert, executive general adjuster of GAB.

Edward J. Reid of U.S.F.&G. moderated the casualty workshop and discussed family protection coverage and death-and-disability. Other participants were Edwin J. Miller, automobile underwriting supervisor of Hartford Accident, on the family automobile policy; Larry D. Williams, casualty manager of Maryland Casualty, on the broad form storekeeper's, and F. Paul Taylor, casualty superintendent of North British.

Mr. McGoogan said NAUA has been working toward uniformity of physical damage and liability lines in fleet rating. The changes scheduled for July 1 are quite substantial, he said.

Agents have been restricted as to what they could cover. Under the new rules the restriction of five or more "self propelled units" has been eliminated. Now trailers and semi-trailers can be included. The restriction "for business use" also has been eliminated. Heretofore comprehensive has been added to the fleet rate but can now

be experience rated as is fire and theft. Previously all vehicles fleet rated had to be owned. Now leased vehicles (under terms up to one year) may be included if operated as if owned. Previously the rate could not be increased or decreased more than 25% in a year; this now is permitted up to 50%. It will no longer be necessary to report adjustment expense, just losses.

The same broadened eligibility rules are applicable to collision. Private passenger cars may be separated from other vehicles for collision fleet rating purposes. Collision may be debit rates, and there are also increased credits. A provision has been added similar to fleet rating of liability with respect to schedule rating modification, up to 25% each way.

In computing the final fleet collision premium, credit will now be permitted for (1) management, up or down 5%; (2) employee selection, training, etc., up or down 5%; (3) equipment—type, condition, service, driver reports on condition, etc., 5% credit or 10% debit; (4) safety—review of accident reports, etc., 5% credit or 10% debit. These changes will give the collision portion of fleet rating more flexibility, Mr. McGoogan said, and eligibility changes will bring in many more vehicle groups as fleets. Bringing PHD more in line with liability will make it easier to write a combination policy.

His bureau handles 5,500 dailies and endorsements per day, Mr. Harris said. That is 200 per examiner—and examiners are hard to find and slow to train. A great many things, including premium payment plans, deviations, new coverages, etc., have complicated and multiplied the bureau's work.

He said the bureau is issuing 2,000 non-approvals a week—five copies each. About 6.5% of the mail consists of violations, which run close to 2,000 a week. So far the bureau has not had to refer one to the insurance depart-

(CONTINUED ON PAGE 27)

Good Turnout and Fine Program for 60th Convention

Elect Dykes, Meriwether, Morrison and Hatch; Eye NAIA "Ad" Plan Favorably

By KENNETH O. FORCE

AUGUSTA—A near record crowd attended the 60th annual convention of National Assn. of Insurance Agents here. The meeting was marked by a program that dealt with the remarkably varied and important changes facing the business—and the local, independent agent—today. Three of the speakers dealt



Archie M. Slawsky

with the competitive changes confronting the agent, and the two workshops emphasized many of the coverage and procedural changes with which the agent has newly to cope.

As is traditional in Georgia, the atmosphere of hospitality was impressive. This was fostered by the agents and their officers and was added to by the unusually large number of headquarters suites maintained by companies and general agents. More wives attended than has been the case in the past.

Wyndell C. Dykes of Cochran was

OFFICERS ELECTED

President—Wyndell C. Dykes, Cochran.

First Vice-president—C. A. Meriwether, Atlanta.

Second vice-president—Paul F. Morrison, Columbus.

State national director—J. O. Hatch, Savannah.

Treasurer—Dan Suster, Atlanta.

Executive secretary—William N. Day.

Assistant secretary—Miss Barbara S. Hanchey.

elected president, C. A. Meriwether of Atlanta and Paul F. Morrison of Columbus vice-presidents, and J. O. Hatch of Savannah state national director. Dan Suster of Atlanta continues as treasurer, William N. Day as executive secretary, and Miss Barbara S. Hanchey as assistant secretary. Mr. Day and Miss Hanchey did a remarkably good job in keeping all of the details of what is a complex and rapid fire affair in order and moving on schedule in the right direction.

Mr. Dykes, who succeeds C. Robert West of St. Simons Island, has been in the business 10 years in Cochran, where he started from scratch. He was the Georgia association's first member from that community. He has served on the association's executive committee, was chairman of the membership committee, and was vice-president.

Mr. West had been in sales agency work before he started an agency in

1949. He was quite active in the Brunswick-Glynn county board, and he served two years on the executive committee of the state association.

Mr. Meriwether has been in insurance since 1923. He was an engineer with Southeastern Underwriters Assn., special risks special agent of New York Underwriters in 11 states out of Atlanta, with Marsh & McLennan, and then joined the Haas & Dodd agency at Atlanta, where he became a partner in 1937. He is past president of the Atlanta association. One of the things that pleased him most at the convention, however, was winning the Babaco model truck for one of his grandchildren.

Mr. Hatch, in addition to being a past president of the association, is a member of the NAIA special auto committee, chairman of the casualty committee of Southern Agents Conference, and a member of the conference committee of the Georgia association. He is past president of the Savannah association.

Mr. Morrison started in business with the Roberts agency at Valdosta but joined his present agency in Columbus five years ago. He served the

past year as chairman of the accident prevention committee.

Mr. Day has been executive secretary of the association since 1955. Previously he had held the same position with the Virginia association 4½ years. He started in this field in 1950 as the first manager of the Maryland association.

At this convention Mr. Day introduced "the mystery award." Conventioneers were advised to introduce themselves to their confreres because one of them, who turned out to be Alan Arnold of Dawson, was keeping track. The 25th person to introduce herself to Mr. Arnold was Mrs. Paul Morrison, and she won \$25. The idea was a popular one, it stimulated acquaintance making, and it built up a considerable amount of suspense.

A feature of the convention was the introduction of the past presidents' award, suggested by James P. Walker of Augusta and financed by the past presidents. The award, for outstanding contribution to the association by a member or an employee of a member, went to Sidney O. Smith of Gainesville, past president of the Georgia association and of NAIA. Mr. Hatch outlined the purposes and displayed the handsome plaques, a large one for the association office with space for a number of names, and a smaller version for the winner's permanent possession.

Harry M. Carter of Savannah, the retiring state national director, made the presentation to Mr. Smith at the banquet.

The Edgar Dunlap award, for public service outside the business, went to Woodfin Cole of Carrollton for his fine civic work there, in the chamber of commerce, of which he is past president, as chairman of the industrial development committee, in youth programs, as a member of the city planning commission, etc. Mr. Smith presented the award.

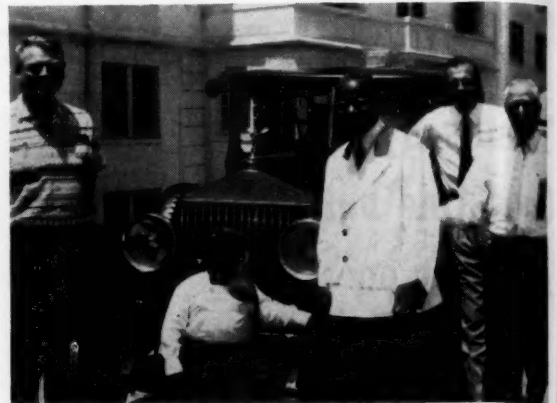
A certificate of merit was given Mr. West, and a special award for his fine services as state national director went to Mr. Carter.

Walter M. Gibson of National Union, Atlanta, first mate of the Mariners Club there, presented the annual Arnall unusual risk award to Insurers of Athens. The risk was placed in Aetna Casualty and covered a flock of East Indian quail from egg to toast.

Commissioner Cravey installed the new officers.

Among visitors were J. E. Schachte of Charleston, president South Carolina association, and Lloyd E. Greer, its

Shown in front of the 1928 Rolls Royce which Southern group provided at the annual convention of Georgia Assn. of Insurance Agents at Augusta for free rides to agents, from left—Sims Bray, a director and vice-president of the Lipscomb, Ellis & Co. general agency, Atlanta; Oscar Ellison, Jr., 19-year-old Negro youth who acted as footman; Melas Glenn, the chauffeur; Chairman Rutherford L. Ellis, and President Walter Elcock Jr. The Rolls was the gift of Hugh R. Muir Beddall, London Lloyds broker, some time ago, to Harold Fearon of the Southern group. Mr. Beddall attended part of the Augusta convention.



executive secretary; George Goss, manager of Insurers of Tennessee, and W. M. DeMouy, Mobile, of the Alabama association.

The convention opened Sunday with an executive committee meeting. That evening Southern group was host to

Southern Hospitality

A number of companies and general agencies maintained hospitality suites at the convention. Among them were Appleton & Cox, with John V. Addy, vice-president, New York; George May, manager at Atlanta, and William Johnson, state agent.

Southern group—Progressive Fire and Southern General, with Chairman Rutherford L. Ellis, President Walter Elcock Jr., James Brooks, agency secretary, Sims Brays, vice-president of the Lipscomb, Ellis & Co. general agency of Atlanta and a director of Progressive, and Ed Stichcomb.

American Southern, with Hoke Rawlins and Wade Conley.

American, with Charles Peters of Savannah, Joseph Mangan of Atlanta, and Clinton Newton of Atlanta.

Hartford, with Spencer Montgomery, Charles Brown, John Mathews, William G. Payne and Edward Miller.

Agricultural, with Charles L. Jones. North America, with Cecil Thompson, Douglas Brawley, and Thomas Withorn.

Home, with Edward S. Fertsch of Savannah, and Claude Robinson, Charles Shuford and L. G. Saye of Atlanta.

Northern of New York, with George du R. Fairleigh, state agent and former executive secretary of the Georgia association.

First of Georgia Fire & Casualty, a 10-month old company affiliated with one of Georgia's oldest banks, Georgia Railroad Bank & Trust of Augusta, with George A. Sancken Jr., vice-president, Donald E. Tefft, vice-president and general manager, and H. V. Dekle, state agent.

Knight, Rives & Co., Atlanta, with Fred Hedges.

Blue Ridge, with George A. Munford and David Jones.

W. K. Stringer & Co., with W. K. Stringer.

Employers, with E. C. Treffry, Richard Moore, Horton Jennings, Guber Connor and Stanley Griffin.

Canal, with President T. J. Mims.

In addition, several companies contributed to the convention in way of souvenirs, favors, programs, etc. They were Agricultural, American, Babaco, Canal, Fidelity & Deposit, Great American, Hurt & Quin, A. F. Irby & Co., Northern Assurance, Royal-Globe, Southern group, and W. K. Stringer Co.

the past presidents' dinner with Mr. Hatch in charge. Past presidents attending included Rutherford L. Ellis, chairman of Southern group, Mr. Smith, Eugene Harrington, Scott Nixon, Roy Smith, John Davis, Charles Cook, Mr. Carter, Sims Bray, W. C. Fambrough and Mr. Walker. Walter Elcock, Jr., president of Southern group, also took a bow. Mr. DeMouy said that in view of the success of the dinner in Georgia, he had started it in Alabama.

At the opening general session Adrian Cohen Sr., president of Augusta board, and Miss Estelle Feagin, president of Insurance Women of Augusta, welcomed agents. Sam E. Taylor of Seibels, Bruce & Co., president Stock Fire Field Club of Georgia; Walter R. Chadwick of Great American Indemnity, president of Southern Casualty & Surety Assn., and Mr. B. Gibson brought greetings from their organizations.

Mr. West reported the formation of two new local boards, at Douglas and Waycross, and that membership now stands at 723. Finances are in good shape, he said, and he paid tribute to committee chairmen.

Mr. Carter in his report reviewed a number of matters, including the fact that extended coverage in California now may include losses from sonic boom. The industrial and commercial forms are due for discussion by the NAIA property committee with the bureaus. Georgia, he noted, is better off with respect to personal property floater underwriting than many other states. The casualty committee still is studying the single limit and three-year no-discount auto liability policy. While they are still troublesome, he said, association cases are not grow-

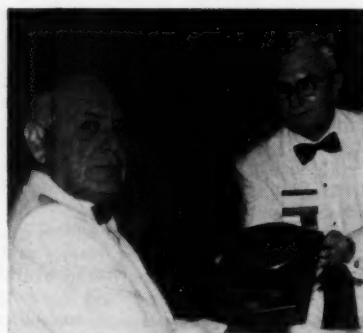


Sidney O. Smith, Gainesville, at Georgia Assn. of Insurance Agents' convention in Augusta, presenting the Edgar Dunlap award to Woodfin Cole of Carrollton.



See
AMERICAN
SOUTHERN
Insurance
Company

Atlanta, Georgia



The first presentation of the new past presidents' award of the Georgia association was made at the 60th annual convention in Augusta to Sidney O. Smith of Gainesville, past president of NAIA and of the state association. Harry M. Carter of Savannah is shown here making the presentation of the award at the annual banquet in Augusta.

ing. Some states have outlawed such fictitious groups.

E. Girdean Harper of Griffin reported for the legislative committee. He formerly served in both branches of the state legislature. In the last three or four years agents have been faced with more legislation, more changes and more complications than ever before. He emphasized the need of agents getting acquainted with legislators and telling their story before they are faced with a compulsory bill or other piece of legislation. "We may have, one day, a compulsory auto law," he said. "If we do, let's get one that is workable."

Gus T. Naumann of Atlanta, chairman of the special auto legislative committee, said that the compulsory auto bill, though not passed this year, still is in a study committee. It is a particularly bad bill, he said, and he urged agents to sell uninsured motorist cover to help defeat the bill if it comes up again. Financial responsibility limits have been doubled as of May 28, he noted.

Kenneth O. Force, executive editor of THE NATIONAL UNDERWRITER, discussed some current aspects of competition in his talk, "Around the Corner."

John V. Addy, vice-president of Appleton & Cox, also dealt with competitive aspects of the business in his address, which is treated elsewhere.

Archie M. Slawsby of Nashua, N. H., NAIA executive committeeman, in his talk discussed sales, advertising, and identification. The agent can't keep it a secret, he said, that insurance is available at a price lower than the local, independent agent can sell it. Advertising, merchandising and good old fashioned selling is the antidote.

His own agency's experience proves this, he said. Selling, combined with service, really pays off. One cross-road for the agent is expansion. Agents are reluctant to do this, to pay out money when there isn't too much of it, in order to expand the effectiveness of the agency. Many agents fear to add an agent because he might quit and take business with him. He had these fears himself, he said, but continuity also was involved and he took the plunge. Once the expansion was started, it worked fine. He said he is hiring new men as fast as the agency can absorb them.

He has just opened a ground floor office for personal business. His men do doorbell ringing after they take care of referrals. There is always plenty for them to do.

He gets his men from various sources, including direct writers. One, when he hired him, he asked, "Why don't you sell your friends?" He look startled, and said the reason he didn't was that he sold one friend coverage on a \$5,200 Cadillac, which subsequently was damaged substantially—\$4,500 worth. The company would not treat it as a constructive total loss but insisted upon repairing it. His agency's companies, Mr. Slawsby said, take care of losses.

The agency is following modern insurance merchandising techniques, he added. The staff makes itself available from 8 to 5:30 every day Monday through Saturday and stays open later Friday night when the stores are open but offices are not. It has direct lines to Manchester and Boston where the agency has a fair volume of business so insured can dial a local number and get the agency. The agency gives matches; it provides children with candy and balloons. The selling force makes its calls in the morning and goes

into the office in the afternoon. It placed its office procedures on a modern base—and he suggested all agents do the same. The office is so operated and maintained as to create a good climate for clients and prospects. The staff spends a lot of time discussing sales. More experienced salesmen go out with the less experienced ones. They are taught to ask for the order.

The agency can't have too many solicitors, he declared. Besides referrals and cold canvass, Mr. Slawsby intends to launch a new advertising program to tie in with NAIA's.

Mr. Slawsby introduced Neal Tonks of Doremus & Co., the New York advertising firm that is preparing the NAIA campaign. Mr. Tonks showed how the story will be presented to the public. Afterward, one agent asked why the advertising did not carry the address of NAIA. That, Mr. Tonks said, would clutter up the appearance of the ads.

James P. Walker of Augusta heartily endorsed the program "as the most progressive step we have ever taken." Reception of the program was highly favorable.

What about National Board's campaign and use of the slogan "Standard Protection"? one agent asked. Mr. Slawsby replied that the campaign is like pouring money down a rat hole. Anyway, agents own the Big I and do not own "Standard Protection."

He said insurers may use the Big I in national advertising but not on stationery, etc.

Doesn't the campaign mean just as much to the insurers as to agents, and are they coming in? Mr. Slawsby agreed about the first, but said the agents want to pay their own way. If, however, NAIA gets \$1 million from

the companies, it will increase the advertising 50%.

What about free riders? There are, Mr. Slawsby observed, free riders in anything. Only agents who contribute get the tie in material. In addition, there probably will be a Big I lapel button for individual identification—which the free rider can't buy.

At a local agents' breakfast, where Pat Brooks of Valdosta presided, William Pritchard of Aetna Casualty, Atlanta, showed a drive-trainer film.

The workshop sessions, which proved quite competitive with golf, are reported elsewhere.

The 1958 convention of the association will be held at Savannah, 1959 at Asheville, N. C., and 1960 in Atlanta.

Elect C. L. Allen President of GAB Succeeding Black

Clinton L. Allen, president of Aetna Fire, was elected president of General Adjustment Bureau at the annual meeting of directors held in New York last week. He succeeds Kenneth E. Black of Home.

Kenneth B. Hatch, president of Fire Association, was elected a vice-president, and W. L. Nolen, U. S. manager of North British, was reelected a vice-president. E. D. Patton, U. S. manager of Northern of London, was elected a director. R. G. Bachman, executive vice-president; Eli Berger, secretary, and R. H. Sifrit, treasurer, were reelected.

Elected directors at the stockholders' meeting held earlier in the week, were: William E. Newcomb, Great American; Junius L. Powell, Federal, and William E. Pullen, U.S.F.&G.

Walker Named to Head Security Group's New Division in Los Angeles

Richard J. Walker has been named secretary in charge of the new Los Angeles division established by Security-Connecticut group in offices at 548 South Spring street. The new branch will supervise southern California and Arizona.

Mr. Walker has been in the business since 1927 when he joined the engineering department of Cosgrove & Co., insurance brokers. He went to Bal-four-Guthrie Co. as special agent in charge of operations in 1931. He was manager of the Los Angeles office of Atlas from 1940 to 1952. Prior to joining Security-Connecticut he was Los Angeles office manager of Cravens, Dargan & Co. general agency.

Central Ill. Buyers Name Tucker President

Central Illinois chapter of American Society of Insurance Management has elected R. Gehl Tucker, A. E. Staley Manufacturing Co., Decatur, president; A. A. Baker, Funk Bros. Seed Co., Bloomington, vice-president, and Robert Leshar, Funk Bros., secretary-treasurer.

Following the election, Harry Martin, Mueller Co., Decatur; Herman Eckhoff, Keystone Steel & Wire, Peoria, and Frank Beinhauer, J. L. Simmons Co., Decatur, participated in a panel discussion of how their companies insure automobiles.

Max L. McCausland has joined the Indianapolis insurance law firm of Armstrong, Guase, Hudson & Kightlinger. Mr. McCausland for three years was in the claim and legal department of Allstate.



WHEN WE SAY

The Insurance
Agent is a Good
Man to Know!

IT'S NO SURPRISE, IS IT?



Ohio Farmers Companies

OHIO FARMERS INSURANCE COMPANY • Chartered 1848
OHIO FARMERS INDEMNITY COMPANY

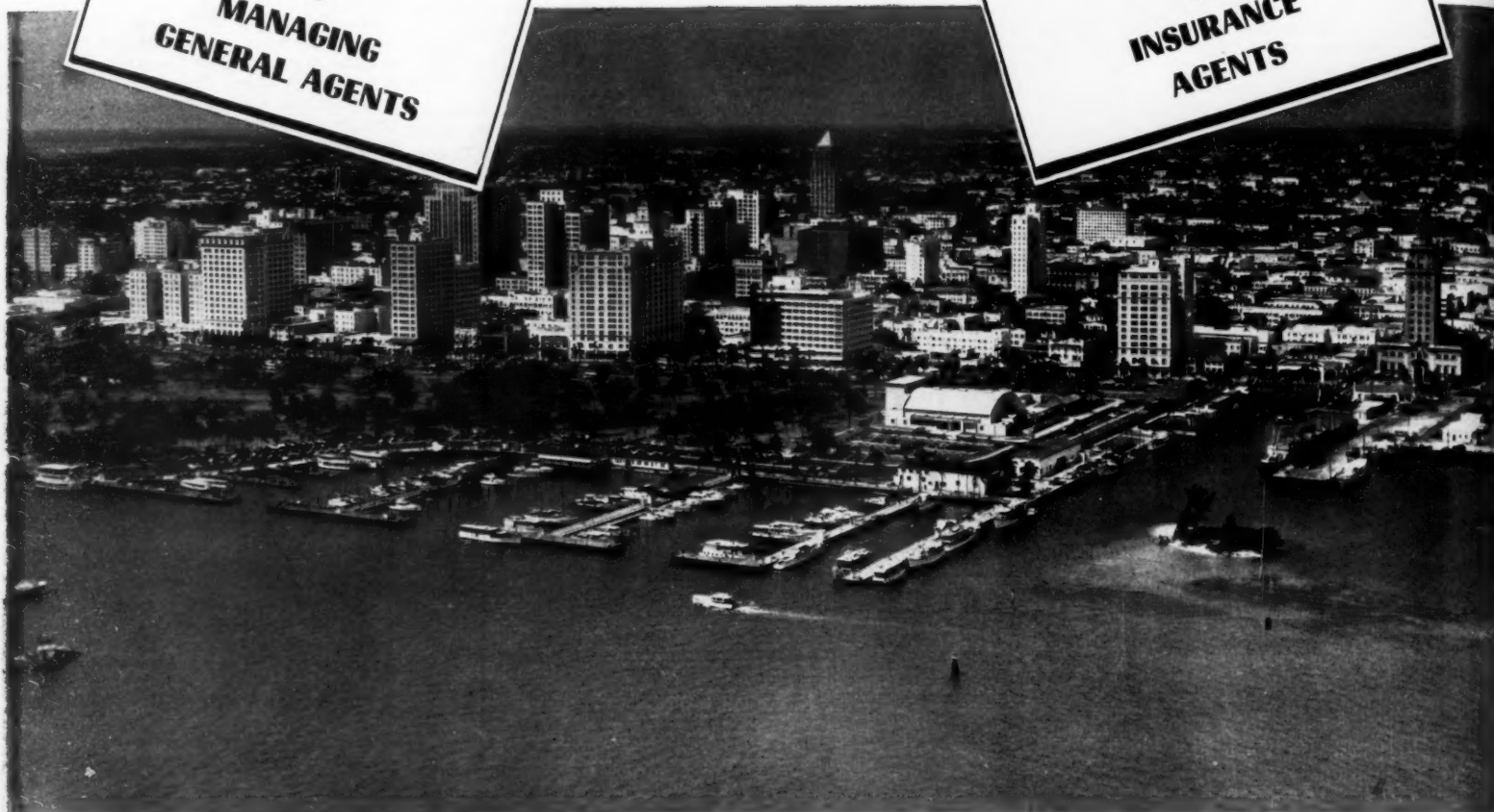
Le Roy, Ohio

EASTERN DEPARTMENT, Philadelphia • • • PACIFIC COAST DEPARTMENT, Los Angeles

Congratulations

AMERICAN
ASSOCIATION
OF
MANAGING
GENERAL AGENTS

FLORIDA
ASSOCIATION
OF
INSURANCE
AGENTS



on your successful **Miami** conventions

We will appreciate the opportunity of explaining the

MULTIPLE LINE FACILITIES

of one of the fastest-growing insurance groups.

Write for details of how this group can better serve you.

RELIABLE
INSURANCE COMPANY

AMERICAN TITLE AND
INSURANCE COMPANY

BALOISE FIRE INSURANCE
COMPANY, LIMITED



EQUITY GENERAL
INSURANCE COMPANY

SWISS NATIONAL INSURANCE
COMPANY, LTD.
(REINSURANCE ONLY)

901 N. E. 2nd Avenue

Miami, Florida

Fla. Annual Booms Past 1,000 Mark

Program Features Advertising and Sales Opportunities

Fla. Agents Present Dozens of Take-Home-and-Use Ideas at Miami Beach

MIAMI BEACH—Dozens of take-home-and-use ideas were given members of Florida Assn. of Insurance Agents at their annual convention here by successful Florida agents. In briskly conducted workshops, the participants did an excellent job of communicating what they know. President E. Finley Cannon Jr. of Gainesville was moderator, assisted by Tom C. Johnson, executive secretary.

These "production pointers—for agents" occupied an entire day of the convention. Participants were: Lino L. Sertel of Miami, advertising; Marvin D. Adams, Miami, family protection policy; Steve Ochoa of Miami, commercial property policy; Earl L. Denney of Jacksonville, dwelling packages, and Lamar U. Hutchinson of Orlando, accounts receivable, extra expense, etc.

Also, Robert Ross Jr. of Fort Lauderdale, new broad form storekeeper's; Phil C. Gallagher of Miami, errors and omissions; James M. Newton, St. Petersburg, outboard motor boat coverages; Lanier Upshaw of Lakeland, ways of increasing earnings, and Sidney A. Singleton of Orlando, automobile insurance.

The agent can succeed without advertising but he will succeed more if he does, Mr. Sertel declared. Advertising makes the agent's work easier, more fun, and more profitable. It makes the agency more valuable because it provides a broader spread of business. It not only produces more clients but clients are better informed. He suggested that the agent cannot sit behind the walls of his office saying nothing and expect the public to come find him.

The first thing to do is plan the advertising campaign, he said. Next, determine how much to spend decide on the form best fitted to the agency's needs, and then be sure the staff is prepared to take care of the business that comes in. Agents generally spend less than 1% of premiums for advertising. Mr. Sertel's spends 1½%.

The agency was quite successful with a house organ but because of growth of business and because the material must be prepared by a person familiar with the business, it was given up in 1952. Circulation grew to 30,000. Checking revealed that business brought in by the house organ, within 60 days of publication, more than paid for it. Many persons actually brought their policies to the agency after receiving a copy of the publication. One issue caused a restaurant owner to call, and this account, \$2,000 in premiums per year, is still on the books.

The Sertel-Reducka agency house organ contained (1) reproduction of a letter complimentary to the agency's service; (2) picture of a building on which the agency had reduced the cost

Local Board Problems, Opportunities

MIAMI BEACH—Local board activities, the handling of public business, and board taxation featured a full workshop session at the convention here of Florida Assn. of Insurance Agents. Eugene F. Wise of Orlando, incoming president, was moderator.

Robert E. Fowler of St. Petersburg told how the board there handles the school insurance. Before the board recently put the school coverage on a new basis, it was written by 124 participating agents on the fire line alone—a liability of \$11 million. There were 550 policies, and small losses were so difficult to handle that the school board started saving them up till the end of the year and disposed of them at that time. In one \$450 loss, insurer participation ran from eight cents to \$1.16. The clerical cost to the school board to handle the insurance was more than \$1,000 a year.

The line came under competition from a participating company which wanted to write only the triple A buildings. The school board was attracted by the proposed dividend of around \$1,000. The St. Petersburg and Clearwater local boards made a proposal, which was, in substance, accepted. Committees of the two boards now handle the insurance in five master policies with a single premium check and a one check payment in case of loss. The two associations retain all the commissions and use them in public service items. Under the new arrangement, the school board saves the \$1,000 in clerical costs.

Hugh Purvis, Miami accountant, discussed rulings of Internal Revenue Service and tax court cases involving local boards. He said he had asked IRS the week before if IRS were conducting a campaign aimed at local boards. This, Mr. Purvis said, does not seem to be the case, but there is a

of insurance; (3) stories about protection that were interesting and timely, and (4) as many local names as possible.

The cost of this publication today would run \$360 for 5,000 or \$565 for 10,000, excluding preparation of copy and labor for mailing. Mr. Sertel gave figures for other size towns sent him by agents—in a North Carolina town of 1,600 population, an effective four-page 5x8, is issued by a one man agency, 800 copies, for \$40. In a Georgia town of 2,000, 750 mailing, the cost is \$65. This one features pictures of local interest. The agent assigns much of his success to the house organ.

Mr. Sertel also uses mirror paper weights and a listing of each man in the organization with Sunday and night phone numbers.

He has found unsuccessful the usual souvenirs and novelties because of the lack of a method of distribution, fairs and exhibitions, Scotch-lite labels for auto bumpers, window displays, billboards, bus cards, book matches, envelope stuffers furnished by the companies, canned magazines, calendars. Newspaper advertising is good if used consistently. Cooperative advertising is good but the rate is about two-thirds more than the rate for a single agency name. Besides, each agent has his own ideas of copy.

Mr. Sertel has found that form let-

(CONTINUED ON PAGE 14)

more vigorous testing of this point: In connection with income from an unrelated business activity, is a substantial part of the work carried on without compensation?

In 1950 Congress passed new legislation with respect to supplement U income. This was a first effort to tax the unrelated business income of service organizations, and the legislation imposes federal income tax on this portion of an organization's income without affecting tax exemption of its other income. The IRS ruling here is to exempt such income if it is impressed with a trust. That, he suggested, seems to solve the problem for local boards handling public business through committee.

New IRS forms for the annual reporting by boards and similar organizations are designed to test the character of this type of income. Mr. Purvis suggested that local boards should review their situations, notably if they distribute part of the commissions on public business to individual agents. He does not believe the tax commissioner will reverse his ruling that local board advertising which carries the names of individual agents does not constitute institutional advertising, a ruling made in the Harlingen, Tex., board case. Even where the individual agents pay for their pro rata share of the cost of adding their names, the ruling, Mr. Purvis thinks, would stand. This is leaning in the direction of providing the individual member a particular service. However, if the advertisement refers to the yellow pages of the phone directory, where board members are listed together, this seems institutional. Exemption seems clear if such income is used for the general purposes of the non-profit organization.

Harry F. LeCrenier Jr. of West Palm Beach, fire prevention committee chairman, said that while FP is a dull subject in itself, if the local board appoints the right man to the committee and gives him a few years before naming him chairman, the FP activities of the board will do as much as any other activity and perhaps more to build good public relations for the board. The amount of good, solid, successful work Mr. LeCrenier and his associates have done and have gotten local boards to do is enormous and has made a strong impression both on the business and on the public.

Lamar U. Hutchinson of Orlando, chairman of the accident prevention committee, advised local boards not to use the same committee for both fire and accident prevention. Each activity is too big a job. He suggested selecting young agents for these committees, perhaps just after he has completed his round of activity with the junior chamber of commerce. Nothing provides the young agent with a better opportunity to get acquainted with the leaders in his community and to make the local board felt in the community.

Mr. Wise said boards can be helpful by making their fiscal year tally with the state's. Also, young agents should be introduced to association work early—don't make them wait till they have been in the business three to five years, he urged.

Working Program With Home Talent Draws Real Support

Okay Mixed Agencies, Elect Wise, Johnson, Coates and Cubbage

By KENNETH O. FORCE

MIAMI BEACH—One of the most unusual—and most successful—of agents' conventions was the annual meeting of Florida Assn. of Insurance Agents here. Registration for the first time exceeded 1,000, and was a giant step from the 375 who checked in for the 1949 convention in Jacksonville. The score in the years since was 373, 100, 265, 130, 675, 711, and, last year, 767.

With only three exceptions the program featured home talent, successful Florida agents, who, with some expert coaching and guidance from Tom C. Johnson, executive secretary, displayed real talent as speakers and panelists. Most of the sessions dealt with key problems and practices of every day agency operation, and were presented by practicing agents who are making money because they have solved the problems and attained skill in the practices.

The attraction of the Fontainebleau hotel, a handsome hostelry (run by Sophia Schreiber, and good, too) was attested when Tom Johnson announced that officers and directors had voted, near the close of this meeting, to hold the next annual convention here May 23-25, 1958. This drew big applause. Mr. Johnson pointed out that aside from other features, of which the place has a great many, it is practically the only one large enough to handle the association meeting with its 1,015 registration. The hotel canceled an orchestra, paid for, and 400 reservations in the Fleur de Lis room, so the two rooms could be thrown together to accommodate the banquet.

The Fontainebleau was given credit for attracting a record number of ladies. The large number of younger agents and agency personnel is char-

NEW OFFICERS ELECTED

President—Eugene F. Wise, Orlando.
1st Vice-president—Dave Johnson, Pensacola.
2nd Vice-president—Neil D. Coates, Miami.
State National Director—Cooper M. Cubbage, Jacksonville.
Executive Secretary—Tom C. Johnson, Tampa.

New members of the executive committee—James Newton of St. Petersburg, Irving Klepper of Jacksonville, J. H. Lumley of Venice, and John Rankin of Tampa.

acteristic of the association's conventions in recent years, but was even more marked this year.

Also evident was careful planning and rehearsing of the program and integration of printed material—advertising, letters, questions and answers, etc.—relating to panel discussions.

But perhaps more unusual—and traditional now—was the exchange of

gifts between agents and company men, via door prizes. With 75 for agents and 32 for company men at this convention, they not only created an atmosphere of hospitality but right now got everyone into meetings on time and helped, if they were necessary, to keep them there till the end of the session. Agents win the prizes contributed by company organizations, and the company men win the many prizes contributed by members of the association.

The important single piece of business was the 178 to 24 vote to change the constitution and by-laws to delete the requirement that a member of the association must represent capital stock insurers. The requirement, after this change, is that the member agent represent a majority of capital stock companies, in number and amount of business. However, the state association membership qualification is subject to local board option. The state association will maintain the qualification set up by the local board.

Cooper M. Cubbedge of Jacksonville discussed the proposed change as head of a special committee that has dealt with the matter for a couple of years. He noted that the capital stock representation requirement would mean the resignation of 60 or more agencies and the resignation of the greater Miami board plus some other boards. Pointing out that the officers and directors had voted unanimously for the change to permit mixed agencies, he asked what the difference is between a mutual and a participating or deviating stock company. He said 43 other state associations permit mixed agencies, and his committee was unable to find a stock company or general agent that was not in one or more mixed agencies in the state. If the stock rule were kept, an agent could not represent a mutual life company.

L. P. McCord of Jacksonville, left, at the convention in Miami Beach was



presented an artist's drawing of a bronze plaque with which Florida Assn. of Insurance Agents honored him on his retirement as state national director. Cooper M. Cubbedge of Jacksonville, past president and Mr. McCord's successor as state director made the presentation and reviewed Mr. McCord's impressive state and national association career.

Marvin D. Adams of Miami moved to make Mr. McCord state director emeritus but President E. Finley Cannon Jr. of Gainesville overruled him and, using his powers as president, appointed Mr. McCord the first and only honorary life time director of the association and adviser to the executive committee.

Mr. McCord, who has served as state director for 12 years, was chairman of the NAIA educational committee for years and organized and held what is said to have been the first state asso-



Dave Johnson



Eugene S. Wise

ciation school, which had an attendance of 358, a record not equalled by the association since. He holds the Woodworth memorial and an NAIA presidential citation.

In his administration report, E. Finley Cannon, president, made several observations and recommendations: Expansion of committee activity by size and number to enable greater participation by the general membership. Study further the possibility of electing directors from zones or geographical territories. Change the fiscal year from Oct. 1 to July 1 to eliminate the lame duck lag. Study further the possibility of moving state headquarters to Tallahassee.

Also, continue the traveling schools to reach every area of the state. Immediately institute a drive to increase membership due to the new area of eligibility. Explore the possibility of expanding headquarters' activities and hiring an assistant secretary.

Mr. Cannon paid tribute to fine work by several committees and to Tom Johnson for outstanding performance as executive secretary. He has, Mr. Cannon noted, provided positive continuity of administrations, and is respected in the legislature and by the insurance department and bureaus.

The association gets more than usual mileage out of its resolutions of appreciation, for example, by memorializing the members of the two insurance committees of the legislature and the insurance department.

Another resolution expressed approval of the NAIA advertising program. F. E. Schaffer of Doremus & Co. presented the details of the plan and showed the slides and films.

The association discovered a speaker with wit, conviction and platform presence in Dave Johnson of Pensacola, the new first vice-president. His talk was one of the most appealing items on the program and is summarized on the editorial pages of this issue. Mr. Johnson is president of Fisher-Brown agency, a post in which he succeeded the late Hunter Brown, past president of NAIA. Mr. Johnson started with the agency at the age of 13, in 1923, and has been at it continuously since, except for three years in the marine corps in World War II.

Eugene S. Wise, the new president, entered insurance in 1932, was president of Orlando association in 1942, and entered state association work in 1943 as a director. He became second vice-president in 1955 and first vice-president in 1956.

The other new officers are N. D. Coates of Miami, second vice-president; Cooper M. Cubbedge of Jacksonville, state national director, and, of course, Tom C. Johnson. Mr. Cubbedge reported for the education committee.

Fred Smith, the Cincinnati management consultant, gave his famous talk on creative selling.

Sidney A. Singleton of Orlando said one of the most important bills passed by the legislature this year is the one

prohibiting more favorable rate or form treatment of insured because he belongs to a trade association or other fictitious group. Another new law brings the reciprocals under the agency qualification law. Capital and surplus requirements of insurers have been substantially increased, and another new law prohibits a company to retain more liability on any one risk than 10% of policyholders surplus, which will help guard the state against fly-by-night insurers, he said. Auto clubs were brought under regulation and must put up a \$50,000 deposit or post bond.

Companies, General Agents Play Hosts

In addition to participating in many other ways, many of the companies and general agencies maintained hospitality suites. They included:

American Equity group with Ray K. Davis, Denzel G. Rogers, Richard Wolf, William Butch and Freeland Cameron. American Equity also was host at the opening night buffet where the group and the association fed about 900 persons—with music.

State Fire & Casualty of Miami, with Ralph R. Kaplan, president; Stanley R. Gumpert, vice-president, and Ira Youngentob, agency superintendent.

Canal, with T. J. Mims, president, and Gordon Rodgers, vice-president.

American Southern, with Hoke S. Rawlins and Wade Conley. Corroon & Reynolds, with John Owen.

Appleton & Cox, with John V. Addy and George May.

Chubb & Son with Walter Wattles, Arthur Grier and Robert Francis, Atlanta.

Maryland Casualty, with Frank Garroitt and John D. Kille of Tampa.

Seaboard Surety, with M. H. Crigh-ton of Atlanta.

Fidelity & Deposit, with S. Hugh Barrett, William A. Hunter and J. J. Wicker (of Hunter Lyon Inc.), Miami, and E. B. Blondell of Tampa.

Also Hartford group, Aetna Casualty, American-Associated, American Casualty, Corroon & Reynolds, Dade Underwriters, Federal Title, Home Underwriters, A. F. Irby & Co., London & Lancashire, New Amsterdam, Northern of New York, Royal-Globe, U.S.F.&G., American International Underwriters, Southern group, Milton M. Spradlin general agency, Employers, Fireman's Fund, General Guaranty, Boston, Springfield and Southeastern general agency.



George Sweet, president of Greater Miami Insurance Board, with the R. S. McKay cup for his organization which was judged best in 10 categories of competition.



Tom C. Johnson, executive secretary, Mrs. Johnson, and E. Finley Cannon Jr. of Gainesville, outgoing president of Florida Assn. of Insurance Agents, at the convention in Miami Beach.



Broward Williams, administrative assistant in the Florida insurance department, Mrs. E. Finley Cannon of Gainesville, wife of the outgoing president of Florida Assn. of Insurance Agents and S. A. Singleton of Orlando, chairman of the legislative committee of the association, in the association headquarters at the convention in Miami Beach.



Four awards in accident prevention work by local boards were presented at the Florida Assn. of Insurance Agents' convention in Miami Beach by Lamar U. Hutchinson of Orlando. Board representatives shown above are, from the left: Jack Closson of Orlando, Jess W. Parker of Tallahassee, Thomas A. Moore of Winter Park, and Harold M. Webb of Jacksonville.



Florida Assn. of Insurance Agents and its local boards take fire prevention seriously. The association has won the NAIA fire prevention award two years in a row and will be out to win it for 1957. Above are shown at the convention in Miami Beach local board representatives who accepted state association awards for FP work. From the left, Dale Naughton of Jacksonville, Raymond O. Holton, Winter Park, Layton Brooker, Palm Beach, and Don Waid of Daytona Beach. Harry F. LeCrenier of West Palm Beach is chairman of the state fire prevention committee, and Kenneth King of Ft. Lauderdale made the presentations.

GAB Makes Changes in South

General Adjustment Bureau has advanced Stephen Ring to manager at St. Petersburg, Fla., succeeding R. H. Alexander who transfers to Nashville. Michael Barton, manager at Tallahassee, has been transferred to Rome, Ga., to succeed W. F. Elmore Jr., who moves to Memphis. James F. Sikes has been appointed manager at Tallahassee. Mr. Ring has been manager at Panama City and is succeeded there by Clifford J. Dillman, formerly senior adjuster at Dublin, Ga.

Organize at Warren City, Mich.

Warren City (Mich.) Assn. of Insurance Agents has been organized with these officers: President, A. Joseph DeDominicis; secretary-treasurer, Frederick Cromie.

Winston-Salem (N.C.) Mutual Insurance Agents Assn. has elected Charles Elliott of Harry B. Elliott local agency, president, succeeding J. W. Taylor. Cecil Jeffords is vice-president and Elwood Clinard Jr., secretary-treasurer.

Carpinter & Baker, E. T. Barry & Co. Merge in New Orleans

Carpinter & Baker, marine underwriters of New York and Chicago, and E. T. Barry & Co. of New Orleans, have merged operations in New Orleans to become Barry-Carpinter & Baker, effective June 1.

The new company will act as marine managers in the south for Great American, Connecticut Fire, and Springfield F&M. The present E. T. Barry & Co. staff will serve the new firm, which will have the use of the continentwide facilities of Carpinter & Baker.

Minneapolis Insurance Women's Assn. has elected La Verne Stibal president; Gertrude Krueger vice-president; Charlotte Haight recording secretary; Florence Magnus corresponding secretary, and Ruth Sheldon treasurer. Miss Stibal, Dorothy Feddern and Celia Garber will represent the association at the national convention in Philadelphia in June.

Mich. Attorney-General Upholds Immunity for State Hospitals

LANSING—Attorney-General Thomas M. Kavanagh of Michigan has ruled formally that a state hospital may not be sued for injuries to visitors in hospital buildings or grounds. State-operated hospitals come under the general immunity from liability enjoyed by state government under the governmental function rule, he maintained.

The attorney-general pointed out, however, that the hospital would be liable under the workmen's compensation act for injuries suffered by an employee while in the hospital or on the grounds even though the employee was not engaged actively in his work at the institution and hence the injury might not follow the usual rule of having "arisen out of and in the course of employment."

Shown at Miami Beach convention, left to right: James D. Levenson, safety chairman, greater Miami board; E. Finley Cannon Jr., Gainesville, president Florida Assn. of Insurance Agents, and Lamar Hutchinson, Orlando, state accident prevention chairman, with posters which won first prizes in the junior and senior teenage highway safety poster contest sponsored by the state association.



1956 A YEAR DEEPLY IMPRESSED ON THE INSURANCE WORLD BY "AMERICAN'S"...

OTHER COVERAGES

FIRE-WINDSTORM • EXTENDED COVERAGE • HOMEOWNERS INSURANCE
ALL INLAND MARINE COVERAGES • FIDELITY AND SURETY BONDS
AVIATION INSURANCE • ALL FORMS AUTOMOBILE INSURANCE
PLATE GLASS • ALL FORMS LIABILITY • WORKMEN'S COMPENSATION

NATION-WIDE CLAIM SERVICE

AMERICAN FIRE AND CASUALTY COMPANY
HOME OFFICE • ORLANDO, FLA.

Program Features Ad, Sales Opportunities

(CONTINUED FROM PAGE 11)

ters to clients are highly effective. One written in 1946 recommending that clients phone or write to increase their coverage because of the rise in cost of construction produced such a terrific response that the agency had to call in a company engineer for several weeks. About 80% of clients responded to the letter.

In a 1954 letter the agency took advantage of a burglary loss in the agency to write mercantile and office clients—more than 60% of them bought office burglary insurance. More than 40% of clients bought family protection coverage as the result of a letter written early this year, at \$10 apiece.

Put "you" into the letters, he ad-

vised. The response is much better if letters are mailed Tuesday or Wednesday. Address envelopes longhand or on a typewriter—don't use an address plate. Address the envelopes to persons and not firms. Make it easy for the person to reply by enclosing business reply envelopes or postcards.

His mailing lists are carefully developed. He uses the phone book because it is the most up-to-date source of information, then refers to the city directory to determine if the risk is the type of business the agency wants. Recently he took an organization membership list of 1,400 names, and spent about three days of work qualifying and selecting—to end up with 235 names.

WELCOME TO MIAMI

Home Of

STATE FIRE AND CASUALTY COMPANY

Rated A Plus In Best's

Attractive deviations and commissions
on preferred fire risks

R. R. KAPLAN, Pres. S. R. GUMPERT, Vice Pres.

IRA YOUNGENTOB

Agency Supervisor

GENERAL GUARANTY INSURANCE COMPANY

Incorporated 1952

130 Park Avenue, North, Winter Park, Fla.

Ralph H. Ely, President

R. E. Paine, Executive Vice President

Paul L. Gartside, Vice President & Director of Agencies

Norman W. Smith, Secretary-Treasurer

Capital:
\$472,125

Policyholders' Surplus:
\$770,028.98

Assets:
\$1,669,159.04

Liabilities:
\$899,130.06

The time may come when family protection (uninsured motorist) cover will be included in the basic policy, Mr. Adams observed. It was called FP instead of UM because the latter emphasizes (to legislators and others) that such drivers do exist and thus gives sales material to compulsory proponents. He emphasized the deficiencies in compulsory auto, pointed out that Florida agents had urged the companies to provide UM cover, and told agents they have the responsibility and duty to sell it. He noted that Florida is one of the few states in which a compulsory bill had not been introduced this year.

Because it will take too long to see each insured individually, he urged agents to send a personal letter and to emphasize the hit-run situation, which is generally featured by newspapers in news of that type of accident. Mr. Adams said his agency mailed a letter to every insured on the books. The response was phenomenal and included those for whom the agency did not carry insurance. It got some good expirations—and learned that some insured do not even know with what agency they carry their auto coverage. The letter partially or completely sells insured before renewal. The agent can include on renewals and have insured send it back if he doesn't want it. This puts the agent in the clear. Some agents have had remarkable success by immediately binding the coverage on all policies in their offices. One agent has increased his premiums \$5,000 with this endorsement alone.

The commercial property floater is as easy to sell as old bread and butter, the fire policy, Mr. Ochoa stated. It is truly terrific. He noted there are four highly competitive non-bureau commercial property policies, which the agent should not underestimate. The bureau and non-bureau forms, however, can each be used to advantage.

The bureau form is best for jumbo lines and for high transit exposure risks. The non-bureau forms are mainly restricted to above average fire and burglary risks, to medium value location exposures because of limited reinsurance facilities and much better on risks having little or no transit exposure.

Because of rating, he said, the risk premium is not affected by transit exposure. Therefore, give insured every break possible on transit limits of liability. A high limit costs no more than a low limit.

The policy is one of the broadest coverages available and prospects are every retail and wholesale merchant except those included by rule C2. The underwriting restrictions mainly concern normal standard risks.

He set out several points he has found useful in placing this business:

Check the major class of merchandise at each location, since a high rated major inventory classification will penalize a low rated class secondary location.

Double check the exact location of each premises occupied by insured as the other perils territory premiums are applicable by cities, not counties as in the burglary manual.

Otherwise ineligible property may be insured if it does not exceed 10% of the value of all property at each location. However, if specifically excluded by policy wording, it is still ineligible. Also the 10% property includes jewelry, furs and watches but is limited to \$1,000 in any one disaster except by fire or EC.

A tenant insuring his improvements

and betterments does not get coverage of steam boiler and piping installed at his expense.

As to I&B, supply the underwriter with a copy of the tenant insured's lease.

All property except one type that is excluded by the commercial property policy can be covered by other policies, and four of the excluded perils can be handled under other contracts.

Though an account rate has to be okayed by the bureau, any company can issue the policy subject to tentative rates, Mr. Ochoa said. In one competitive situation, this meant the difference between three weeks and two days—and got the business.

Homeowners is the coming type of cover for the mass market, Mr. Denney believes. His firm has evolved a system for selling it. Solicitors of the agency check court house records where the law requires the recording of mortgages. Dates are selected that are apt to coincide with insurance expiration, and the agency uses large subdivisions because of the concentration of prospects. At least two homes in each block are listed, and then the solicitor cold canvasses. He



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83
buy

does not phone because it is too easy to be turned down. This is in many cases the first time the prospect has been called on for insurance, he said. About 80% of these calls result in sales.

He added that present insured of the agency are being converted to homeowners. The agency mails to insured a visual aid comparison chart of coverage and savings, with a form letter insured can sign and mail in a self addressed envelope. His agency also advertises extensively and uses TV. Here the camera is focused right down on the homeowners contract. The announcer emphasizes the savings, and the phone calls pour in.

The cold canvass calls on prospects are made 5 to 9 p.m. If the agent is too busy to do this, Mr. Denney suggested hiring a solicitor to take orders on commission. He has hired former agents of direct writers with good success. They are familiar with this type of solicitation. There are no collection problems, he said, because of the prepaid item in the mortgage escrow account, but the agent should be sure to get authority from insured to get into escrow account. He tries to get the policy on a three year financed basis because the solicitor earns more. For a good solicitor he pays \$300 a month for six months, when he reevaluates his abilities and puts him on commission. He can write plenty of good business. In general the agency sells homeowners B with special form attached.

Accounts receivable coverage is, next to liability and errors and omissions, the most important coverage many insured can buy—agencies, banks, lawyers, etc., Mr. Hutchinson averred. Wholesalers, manufacturers, department stores, clothing shops, doctors and dentists are among prospects. A companion coverage is valuable papers—for lawyers, architects, real estate firms, abstract companies, and even banks. One agent sold the cover to a bank at a three year \$900 premium. How?

The agent did some research and found it would cost about \$1,000 for Recordak Co. to reproduce the check records on a single roll of film, and this bank averaged a roll of film a day. If customer ledger sheets were badly damaged or destroyed, it would be necessary to reproduce all transactions since the last statements were mailed to re-establish records required to prove accounts of depositors at time of loss. The bank quickly purchased the coverage and thanked the agent.

Extra expense, he said, is essential for those enterprises that must stay in business to keep their business. In addition to newspapers, laundries, etc., the local agent needs such coverage, he said.

Mr. Ross emphasized the saleability of the new storekeeper's broad form, and said that the blanket crime policy coming out in Florida May 29 will appeal to those risks falling between the 3-D and the storekeeper's.

Mr. Gallagher reviewed the cases in which agents have been held liable for a loss because of errors or omissions. He emphasized that these situations arise right along. About 25% of those in the audience indicated that they carried E&O.

Boating has had a fabulous growth in the U. S., and especially in Florida, Mr. Newton observed. There are now five million outboard boats in the U. S., 83% of them pleasure type. In 1956 buyers spent \$750 million on such

boats and their equipment. The average premium and commission equals or exceeds that on a private passenger auto in many territories. At the present rate, by 1960, three out of five families in Florida will own an outboard boat. The experience, he noted, is not too good. For one insurer losses have been 75% for three years in the southeast.

Contingent commission contracts put sporting blood into agency underwriting, Mr. Upshaw said. His agency increased its fire volume in the face of rate decreases by putting replacement insurance on mercantile risks, and excellent public relations cover at loss settlement time. Unless the building is brand new today, the owner already is underinsured. His agency got in a special agent and an engineer to handle the work. In the process the agency picked up information useful in connection with other lines.

Contingent liability covers that part of the building not destroyed but worthless because under ordinance the owner cannot rebuild, he said. Another good item is demolition insurance. A check of the ordinances in Lakeland revealed that if a building is dam-

aged 50% of the 1950 assessed value, the latter being about half the real value, it cannot be rebuilt. It doesn't take much damage to equal this figure. In fact, this is so inequitable effort is being made to get the ordinance changed to 50% of the current appraised value. He said his agency has sold a lot of this business and has picked up substantial other business in the process.

The direct writer loss ratios are "showing" in Florida, Mr. Singleton reported, and agents will find comparison charts of rates useful. He emphasized that agency companies today have a fine product to sell. They have the tools with which to get auto business, including the second car discount, the farmer classification, lay-up and suspension (many cars in Florida are used only for hunting and fishing), broad medical payments, UM, unlimited limits, and service. The direct writers, he said, are desperately afraid of writing high limits.

In the commercial field, where the direct writers have made little headway, agents have a good price, good experience. Don't forget cross liability where there is a combination of cor-

porate and individual interests. He urged use of fleet rating, which takes five minutes to learn.

Dr. Scott, Ocala Agent, Completes Assn. History

In his presidential address, E. Finley Cannon of Gainesville paid tribute to Dr. E. Laurence Scott, local agent of Ocala, who took it upon himself to collect the facts and write a history of the 53 years of the association and its work. This has been completed but could not be printed in time for the convention. It will be distributed this summer.

Dr. Scott was an outstandingly successful orthopedic surgeon when, some years ago, he left surgery to become a local agent, an ambition he had long held. At one time he was editor of the association's publication, *The Insurance Agent*.

He was unable to attend the convention because of illness.

Miss Eugenia McLin, daughter of Earl McLin, special agent of U.S.F.&G., and a professional model in Miami, assisted Lamar U. Hutchinson of Orlando with props for his discussion of accounts receivable, etc. This didn't hurt his speech any.

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Insurance Company Education Directors Society Elects Moore

Insurance Company Education Directors' Society, at the annual meeting in Lake Harmony, Pa., last week, elected William C. Moore of America Fore, president, and A. E. Duncan Jr. of Fire Association and Louis Kortum of American Surety, vice-presidents.

George W. Tisdale of Commercial Union-Ocean group was named treas-

urer, Edward W. Brouder of Hartford Accident, secretary (reelected), and David J. McGrath of Allstate was named to the executive board. Davis T. Radcliffe was continued as editor of the society publication, *Education Exchange*.

The first day was devoted to training programs. A panel discussed the training of special agents and problems of using trainees in on-the-job assignments. Participating were Acis Jenkinson III, North America; Thomas

W. Buckley, America Fore; John J. Leddy, American; W. R. Wilson, Selected Risk, and L. J. Donaldson, Standard Accident.

The use of slide films in supervisory training was discussed by James P. Coyle of Fire Association.

A panel on how best to appraise student development opened the second day. Graham Russell of Royal-Globe, John Kerr, Insurance Society of Philadelphia, and Richard de R. Kip, Wharton School, took part.

Harry I. McHenry, formerly of Rueben Donnelly Corp, conducted a workshop on steps to successful sales.

A panel discussion of financial assistance in insurance education for agents and employees highlighted the last day. Taking part were W. L. Davis Jr., America Fore; Robert Mehr, University of Illinois; L. V. Irvine, Travelers, and M. J. Pierce, Standard Accident.

The meeting was adjourned following a luncheon at which the new officers were introduced.

House Committee Asks Reappraisal of Federal Crop Coverage Program

WASHINGTON—In its report on the agricultural and farm credit appropriation bill for fiscal 1957, the House appropriations committee has suggested the Department of Agriculture make a reappraisal of the federal crop insurance program to determine the feasibility of getting sufficient nationwide coverage to make the program solvent and to justify its continuation.

The committee has recommended \$6.3 million to be voted for administration of Federal Crop Insurance Corp. The amount represents a \$923,300 decrease from the submitted budget estimate.

Instituted in 1946, the program has operated at a surplus for three years and at a deficit for six. It has sustained a net loss of \$16.9 million.

M. & M.-Cosgrove & Co. Names Three Officers

F. T. Clifton has been elected executive vice-president of Marsh & McLennan-Cosgrove & Co., and W. M. Van was elected vice-president and W. C. Dittenbaugh was named assistant vice-president.

Mr. Clifton has been with the organization since 1937. He was in Detroit, where he was appointed vice-president in 1950, before going to San Francisco in 1951.

Mr. Van has been with the firm 19 years and Mr. Dittenbaugh eight years.

The North British ocean marine department has moved to 111 John street in New York.

Upper Peninsula Agents Meet 200 Strong, Elect Hupy President

ESCANABA, MICH.—More than 200 agents attended the annual convention here last week of the Upper Peninsula Assn. of Insurance Agents. A new constitution and by-laws were adopted providing for full co-extensive membership in the state and national associations.

Robert Hupy of Gladstone was elected president, succeeding Walter Holmberg of Norway. Other new officers are: Vice-president, Donald Trotter, Escanaba, and executive committee member, Arthur Goulais, Escanaba. No secretary-treasurer was chosen.

Darlyle Watters, director of the agency licensing division of the Michigan department, substituted for his chief, Commissioner Navarre, on the program and explained the necessity for and advantages of state regulation of the business.

William Miller, Marquette, special agent for Great American, discussed changes in extended coverage endorsement and rates and TV antenna coverage and explained how to apply them relative to values of risk and package policies.

Harold Snyder, U.S.F.&G., reviewed agency cost elements, suggesting greater use of combined policies, limiting of writing in the fire field to policies of \$5,000 or more, concentration on term and package policies and close analysis of office costs, particularly in relation to collections. He noted that failure to collect one premium usually means loss of profit equaling five times the volume involved.

George Bulau, Hartford Fire, discussed time payment plans, and Robert G. Schirmer, Saginaw, state association president, talked on "Your Executive Committee." He explained that the state organization's executive group represents 560 years of experience and that it devotes more than 400 hours annually to association affairs.

W. O. Hildebrand, association secretary-manager, talked on "Organized Effort," stressing the long-apparent advantages of association activity in behalf of the individual agent.

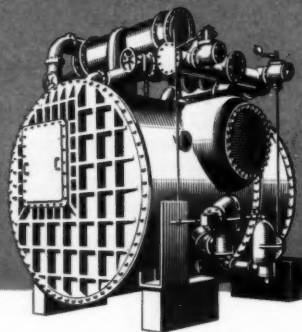
C. M. Verbiest, president of Road Aid, discussed that plan for providing emergency help to insured drivers, but the association deferred definite action on adopting it.

John S. Battle, former governor of Virginia, has been elected a director of Cherokee of Nashville.

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AFTER *Extra Value* in prompt assistance should an accident occur. Your HSB Field Inspector and Company Claim Adjustors render capable, on-the-spot service to speed rehabilitation and settle claims promptly.

Your own Agent or Broker will agree — it pays to choose the best.



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TO INCLUDE GENERAL FIRE LINES.

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NEW YORK

Minn. Federation Reviews How Insurance Fared in Legislature

MINNEAPOLIS—Citing the action of the recent legislature in voting increased appropriations and increased taxes, Insurance Federation of Minnesota sees a "chilling effect on the growth of our local insurance industry" if this pattern of increased expenditures is continued by future legislative sessions.

If that is the trend in the future, the legislative report of the federation says, "it is obvious that the state will eventually have to turn to the imposition of taxes on such branches of the insurance industry not now paying the 2% premium tax, such as domestic mutuals, farmers mutuals and fraternal and increase taxes on branches already paying the 2% tax in order to meet revenue requirements."

The report reviews the results of the session insurance-wise. It credits the legislative committee of the federation for "forestalling most of the insurance legislation which would have been injurious to the public and the industry" and for success in promoting legislation beneficial to the public and the industry.

The report lists 75 bills affecting some branch of insurance that were enacted into law. There were more affecting fire insurance than any other. Among the results of the session were these: Compulsory auto insurance died in committee; insurance industry investigation laid on table; insurance department continues as at present instead of being made a sub-department; wrongful death limit raised from \$17,500 to \$25,000; anti-coercion bill passed and called helpful.

Marine Insurers Oppose Senate Coverage Bill

WASHINGTON—Marine insurance interests have indicated vigorous opposition to a Senate bill which would have the effect of including the amount of marine coverage on ships in funds available for payment of claims of parties injured or whose interests are damaged or suffer loss from marine accidents. Shipping interests are also reported opposed to the measure.

The way to furnish better protec-

tion, it has been suggested, is to provide for a heavier assessment on marine tonnage than the 60 cents per ton now provided by law and made available for settlement of claims in admiralty courts.

Marine interests are carefully watching the bill and are prepared to fight it if Congress takes up the matter. However, there is no present indication of committee consideration of the measure. If such develops marine people will ask for a hearing.

Offers Theft Cover from Unlocked Cars in Wash.

Western Pacific has introduced a policy in Washington to provide theft coverage for unattended, unlocked automobiles. The contract is designed to fill the gap left by the theft from unattended automobile exclusion in the homeowners forms. An annual rate of \$5 per \$1,000 has been filed.

Cincinnati Opens New H. O. at Agency Meeting

Agents from the three states in which Cincinnati operates, plus a number of business and civic leaders, attended the formal opening of the new home office building at 2964 Central parkway. Officers and directors, headed by President H. M. Turner, guided the visitors through the building and were hosts at a buffet luncheon, which also opened the annual sales conference of the company.

The sales conference, which was held at the Cincinnati Club, featured panels on homeowners, general liability, dealers comprehensive and Cincinnati's automobile program. In addition to Mr. Turner, panel leaders were J. J. Schiff Jr., secretary, R. A. Cosbey, vice-president, and Robert Woods, casualty manager. Social features included a dinner party in nearby Kentucky and a National League baseball game at Crosley Field.

Name Bush at Grand Rapids

Robert Bush has been appointed assistant manager at Grand Rapids for Standard Accident and Planet. He joined Standard Accident in 1948. In 1950 he attended the training school, and was made a field representative at Detroit. He was transferred to Grand Rapids in 1956 as a field representative.

Royal Exchange Opens San Francisco Branch

Royal Exchange group has established a branch in San Francisco. George Benkie is manager.

The new office will supplement operations of the Pacific department in the Los Angeles office which is in charge of Manager Arthur A. Lang, and will supervise the northern and central California territory. It is located in the Barneson building at 256 Montgomery street.

Argonaut Gets Green Light for Conversion

Policyholders of Argonaut Insurance Exchange have approved the conversion of the reciprocal to a stock company. The plan provides for distribution of all stock of the new company to exchange policyholders.

It is anticipated that Argonaut Ins. Co. will commence operations July 1.

American Bankers of Miami has opened a new home office at 600 Brickell avenue.



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Mountain Lake, Virginia

A new world of tranquil beauty . . . days that sparkle with brilliant sun . . . nights that are cool enough for blankets. A perfect place to loaf your time away . . . or enjoy tennis, fishing, swimming, golf, horseback riding, or mountain climbing in the picturesque mountains of Virginia . . . Choice of superb resort hotel accommodations or secluded rustic cottages.



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8-4305

Convention Dates

- June 3-4, Georgia Assn. of Mutual Insurance Agents, annual, King and Prince hotel, St. Simons Island.
- June 3-7, Eastern Underwriters Assn., mid-year, Shelburne hotel, Atlantic City.
- June 9-11, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City, Md.
- June 10-12, South-Eastern Underwriters Assn., annual, Homestead hotel, Hot Springs, Va.
- June 10-13, National Assn. of Insurance Women, annual, Sheraton hotel, Philadelphia.
- June 10-14, National Assn. of Insurance Commissioners, annual, Haddon Hall, Atlantic City.
- June 12-16, International Assn. of A&H Underwriters, annual, Lowery hotel, St. Paul, Minn.
- June 13-14, Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.
- June 12-15, Wisconsin Assn. of A&H Underwriters, annual, St. Paul, Minn.
- June 13-15, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
- June 14, Mutual Fire Insurance Assn. of New England, annual, Parker House hotel, Boston.
- June 16-18, New England Assn. of Insurance Agents, annual, Poland Spring, Me.
- June 16-19, Virginia Assn. of Insurance Agents, annual, Roanoke hotel, Roanoke.
- June 20-22, North Carolina Assn. of Mutual Insurance Agents, annual, Mayview Manor and Green Park hotels, Blowing Rock.
- June 24-26, Insurance Advertising Conference, annual, Spring Lake, N. J.
- June 26-29, Federation of Insurance Counsel, annual, Waldorf Astoria hotel, New York City.
- June 27-28, Loss Executives Assn., annual, Shawnee Inn, Shawnee on Delaware, Pa.
- July 4-6, International Assn. of Insurance Counsel, annual, Chalfonte-Haddon Hall, Atlantic City.
- Aug. 12-14, International Federation of Commercial Travelers, annual, Empress hotel, Victoria, B.C.
- Aug. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
- Aug. 22-24, Texas Assn. of Mutual Insurance Agents, annual, Shamrock-Hilton hotel, Houston.
- Aug. 26-27, South Dakota Assn. of Insurance Agents, annual, Marvin Hughitt hotel, Huron.
- Aug. 26-29, Hon. Order of the Blue Goose, International, annual, Roosevelt hotel, New Orleans.
- Sept. 5-6, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.
- Sept. 8-11, International Claim Assn., annual, Chalfonte-Haddon hall, Atlantic City.
- Sept. 9-12, National Assn. of Insurance Agents, annual, Chicago.
- Sept. 15-18, Idaho Assn. of Insurance Agents, annual, Sun Valley.
- Sept. 15-18, Michigan Assn. of Insurance Agents, annual, Grand hotel, Mackinac Island.
- Sept. 15-18, Michigan Assn. of Insurance Agents, annual, Grand hotel, Mackinac Island.
- Sept. 16, Vermont Assn. of Insurance Agents, annual, Lake Morey inn, Fairlee.
- Sept. 16-17, Minnesota Assn. of Mutual Insurance Agents, annual, St. Paul hotel, St. Paul.
- Sept. 17-20, Mutual Loss Research Bureau, annual, Edgewater Beach hotel, Chicago.
- Sept. 18-19, New Hampshire Assn. of Insurance, annual, Wentworth-by-the-Sea hotel, New Castle.
- Sept. 18-20, Washington Assn. of Insurance Agents, annual, Olympic hotel, Seattle.
- Sept. 20, Delaware Assn. of Insurance Agents, annual, Rehoboth Country club, Rehoboth.
- Sept. 22-24, Oregon Assn. of Insurance Agents, annual, Eugene hotel, Eugene.
- Sept. 23-24, South Dakota Assn. of Mutual Insurance Agents, annual, Sioux Falls.
- Sept. 26-27, Oklahoma Assn. of Mutual Insurance Agents, annual, Skirvin hotel, Oklahoma City.
- Sept. 29-Oct. 1, Pennsylvania Assn. of Insurance Agents, annual, Pocono Manor inn, Mount Pocono.
- Oct. 1-3, Society of Chartered Property & Casualty Underwriters, annual, Waldorf-Astoria hotel, New York City.
- Oct. 3-4, Mountain States Assn. of Mutual Insurance Agents, annual, Denver.
- Oct. 6-9, National Assn. of Casualty & Surety Agents, annual, Greenbrier hotel, White Sulphur Springs.
- Oct. 6-9, National Assn. of Casualty & Surety Executives, annual, Greenbrier hotel, White Sulphur Springs.
- Oct. 13-16, National Assn. of Mutual Insurance Agents, annual, Sherman hotel, Chicago.
- Oct. 14, Society of Actuaries, annual, Commodore hotel, New York City.
- Oct. 14-15, Arizona Assn. of Insurance Agents, annual, Westward hotel, Phoenix.
- Oct. 16-18, National Assn. of Independent Insurers, annual, Edgewater hotel, Chicago.
- Oct. 17, Inter-Regional Insurance Conference, annual, Plaza hotel, New York City.

In the world of today, when it is customary to shout one's wares from the highest rooftops in the loudest voices, we would like to state (with quiet confidence) the following facts about Fire Association.

Experience Factor (140 years)
Unquestioned Financial Strength
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If the above facts make insurance-sense to you, they may also explain why 25% of our agents have been with us 25 years, or longer.

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 • RELIANCE
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*Many of your clients
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STOREKEEPERS' B & R INSURANCE

Only within recent months has the average small merchant been able to buy a "package" of insurance at a reasonable rate to provide the broad coverage he really needs. Patterned after the popular 7-way protection of the original Storekeepers Burglary and Robbery policy, the Broad Form policy now also includes coverage for Employee Dishonesty, Depositors Forgery and the Destruction or Disappearance of Money and Securities.

Designed specifically for the small mercantile organization, it is not available for use where there are more than four employees or more than one location. The number of such outfits in your community provides plenty of prospects who will welcome the chance to buy this broad policy at "Shelby" money saving rates.

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COMMENTS

TRENDS

OBSERVATIONS

Mich. Senate Commends Agents Traffic Safety Efforts in Resolution

LANSING—The Michigan senate, during the session's final week, adopted a resolution commending the state police and Michigan Assn. of Insurance Agents for their extensive activity in behalf of motor vehicle safety. A particular reference was intended for the association project in distributing some 2 million restaurant place mats featuring in interesting and conspicuous fashion the need for careful driving and providing the essential information motorists require in order to follow safety fundamentals.

Several other states already are considering adoption of similar plans, according to W. O. Hildebrand, secretary-manager of the Michigan association. Numerous inquiries have been received. A national TV sponsor also has indicated willingness to give a "plug" to the plan on one of the most popular evening programs.

Aetna Casualty Given Award by Student Marketing Institute

For its "outstanding promotional campaign" using the Drivotrainer, Aetna Casualty has received a key of achievement award from Student Marketing Institute. James F. Goyette, assistant superintendent of public education of Aetna Casualty, accepted the award at ceremonies in New York at the institute's annual clinic. The Drivotrainer has been adopted by 30 high schools and colleges in 10 states. Agent associations have been responsible for placing it in six of these schools.

Son Not Father's Guest in Auto, Court Rules

PIERRE, S. D.—South Dakota supreme court has upheld a substantial verdict in favor of a son who was injured when riding with his father. The father died from injuries sustained in the accident. The son, Arthur Kleinhesselink, said he was riding with his father for business reasons and not as a guest. The supreme court ruled that

Agent Stresses Close Client Contact Need

Maintaining constant contact with customers is an important means of helping clients keep abreast of their changing insurance needs, Richard V. D. Wallace of Goshen, N. Y., told graduates of the 162nd session of Aetna Casualty's sales course in Hartford.

Mr. Wallace, who was graduated from the course in 1954, added that, while insurance coverages should be comprehensive, they should also be planned in accordance with the customer's requirements.

Stressing the need for goodwill between agent and insured, he urged the class members to keep informed of the status of claims as a further demonstration of the company's personal service to all clients.

Mr. Wallace is a partner in the Wallace & Son agency of Goshen.

The class was led by Lawrence Sachs of Newark, who received a blue ribbon. Blue ribbons for high scholastic standing went also to Charles Rudd of Madisonville, Ky.; Donald H. Bankhardt of Van Nuys, Cal.; Matthew E. Hazeltine of San Francisco, and Edward B. Thayer of Middletown, N. Y.

Gold ribbons for demonstrating outstanding soliciting techniques were awarded to Messrs. Bankhardt, Sachs, Rudd and Thayer; John L. Shell of Marietta, Ga.; Robert I. Lamson of Randolph, Vt., and Joseph G. Cantin of Baton Rouge.

Agents From 13 States At Latest Hartford A. & I. Training Session

Seventeen representatives of Hartford Accident agencies in 13 states and three company staff members received instruction in casualty, surety and fidelity bonds at the latest session of the home office training center. The course included study of automobile, general liability, workmen's compensation, burglary, plate glass, and various forms of surety and fidelity bonds.

the boy was on a business trip with his father and that the guest statute was inapplicable.

Port of New York Authority Honored by Indemnity of N. A.

Indemnity of North America last week honored the commissioners, officers and personnel of Port of New York Authority whose efforts produced an unprecedented safety record of no fatalities and a minimum of injuries during the construction of the third tube of the Lincoln tunnel under the Hudson river linking New York and New Jersey. Indemnity of North America was the workmen's compensation insurer on the project.

Maintenance of a high degree of safety has earned the port authority a premium refund of more than \$1,300,000. A new concept of underwriting was employed in providing the WC coverage. The port authority provided the contractors on the job with the workmen's compensation insurance required of them by law, and the master policy written in the insurer provided for a flexible basis for retrospective premium adjustment so that the port authority would benefit from a favorable loss experience.

Herbert P. Stellwagen, executive vice-president of Indemnity of North America, presented the port authority with a replica of the silver pen and ink stand used in the signing of the Declaration of Independence. Donald V. Lowe, chairman of the port authority, accepted for the agency.



Atlantic Mutual has returned a desk it borrowed from New York Board 75 years ago, in 1882, when the board supplied it for the use of an Atlantic Mutual president who was also president of the board. In this picture, President Miles F. York of Atlantic Mutual shows President William A. Bonner of New York Board the bronze plaque to be attached to the desk in commemoration of the long term loan. It reads: Desk purchased by the Board of Underwriters 1882 for John D. Jones, president of the board and Atlantic Mutual. Restored and presented to the Board by Atlantic Mutual 1957.

Insurance Society of N. Y. School Offers Six Week Summer Course

Insurance Society of New York school of insurance will offer a six week course for agents starting July 8. It will cover insurance contracts, use of manuals, agency management, and sales techniques. This program of study will satisfy the educational requirements of those state insurance departments which require insurance courses to qualify for license examinations.

The curriculum will emphasize casualty, fire, marine, and bonding insurance contracts along with a treatment of agency management and risk analysis and survey selling. Personal lines will be handled first, followed by the more technical and complicated commercial lines.

33 Students at Ky. School

Kentucky Assn. of Insurance Agents school, held at Western State college, Bowling Green, May 13-17, was attended by 33 students, of whom 19 took the state agent licensing examination upon completion of the course. Thirteen men received passing grades in the state examination.

Other schools are scheduled as follows: Murray, July 8-12; London, Sept. 9-13; Louisville, Oct. 14-18, and Bowling Green, Nov. 11-15. A session to have been held at Lexington June 10-14 has been cancelled.

Kentucky Assn. of Insurance Agents will hold its annual school at Lexington June 10-12. Eighty students are expected to attend.

Retired V-P of Great American Publishes Self-Locating Map

It's becoming harder and harder to get lost, and a new map, devised and recently published by Ambrose Ryder, retired vice-president of Great American, points the way toward total solution to the problem of "where is where."

The map, the first step in establishing a nation, perhaps worldwide cartographer's location method, embraces the towns of Carmel, Lake Carmel, Mahopac and Mahopac Falls and surrounding areas in Putnam county, N.Y.

Key to the map is a superimposed red grid east-north index, which pinpoints the exact location of any spot on the map by means of two short numbers, the first number telling how far east the spot is, the second telling how far north. It works on the longitude and latitude intersection method—a decimal system replacing that of degrees, minutes and seconds.

A full explanation of this new map system is contained in "Where Is Where," a 48-page booklet published by Mr. Ryder last spring. The map and the booklet are available at \$1 each from Carmel Co., Carmel, N.Y.

New Names at 116 John Street

Multi-Peril Insurance Conference, Central Forms Committee, Inter-Bureau Insurance Advisory Group and Multiple Peril Insurance Rating Organization, are now located in offices at 116 John street, New York 38.



New officers of Arkansas Assn. of Insurance Agents, from the left: C. C. Mitchener, Marianna, secretary emeritus; Lawrence H. Derby, Warren, state director; D. T. Hargraves, Helena, president; W. D. Cotton, Little Rock, secretary-treasurer, and A. J. Johnson, El Dorado, retiring president and chairman of the executive committee. W. G. Cobb, Little Rock, the vice-president, was unable to attend the convention because of illness.

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Fire and Casualty Insurance

EDITORIAL OFFICE

99 John St., New York 38, N. Y.
Executive Editor: Kenneth O. Force.
Assistant Editors: John B. Lawrence Jr.
and Robert Young Jr.

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175 W. Jackson Blvd., Chicago 4, Ill.
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Assistant Editors: Richard J. Donahue,
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Production Editor: George H. Downs.

ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Telephone Wabash 2-2704
Advertising Manager: Raymond J. O'Brien

SUBSCRIPTION OFFICE

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EDITORIAL COMMENT

Suggestions for General Improvements

With good humor and a genuinely friendly tolerance, Dave Johnson of Pensacola, newly elected president of Florida Assn. of Insurance Agents, in his talk at the convention in Miami Beach, made a number of points at which improvements might be made by bureaus, companies, adjusters and agents. The suggestions uniformly were aimed at facilitating the work of the agent in the production and servicing of business with more satisfaction to insured, agent and company. Among the suggestions were:

Why did the bureaus in general form 402-F3 make you specifically state that improvements and betterments are covered only when it is specifically stated on the first page of the policy? Under the old mercantile form, it was automatically covered. When they gave us the CDP there was a reasonable charge to remove the deductibles from the special form on the building and broad form on the contents. Then in 1956 the charge for removal of these deductibles was greatly increased. It discriminates against the average buyers of the dwelling package, who comprise the most numerous of our dwelling insured. With the PPF supplement to the CDP, why cut away about 40% of the premium to require a \$50 deductible? Insured hate to be told that certain small losses under \$50 deductibles are not covered. Why not a \$25 or a \$15 deductible, or none, if insured is willing to pay the additional premium?

Why is it earnings insurance can be attached to a fire policy that is insuring the same subject to which insurance would apply but this is not true for business interruption or rents? An unnecessary waste of time and effort. Why can't reporting forms A and 1 be adjusted annually on the anniversary date for more than the provisional premium?

The office contents form is a good move but there are too many exclusions of certain types of water damage and the deductible applies to too many types of losses. The commercial property policy on a wholesaler or distributor who does more than \$1 million of business a year has to be sent to Inland Marine Insurance Bureau for rating. It makes sense for IMIB to quote the rate if the risk has plants in several states, but it may be influenced by losses in New York, Chicago, Detroit and Boston and lose sight of the negligibility of losses in Florida on this type of policy. Why not credit for existing insurance under this policy? If written in the same company, you can do it. It is hard to ask a man to give you a risk and cancel his existing policies short rate.

Have you noticed the trend back to the three year plan? New policies are coming out with a rule they can only be written for three years. Let's hope with the consolidation of Empiro and Interbureau a one-form of dwelling policy will develop that will compete with any non-agency company policy and combine the best features of CDP

and HO—without its being too prejudiced either way. The bureaus and companies are going to have to quit giving the companies what they want and find out what the bill-paying public wants.

I know company men are tired of hearing agents complain about all the changes in the last two or three years, but honestly don't you think they have tried to cram too many pills down our throats in too short a time? It is hard to take 12 pills in a year or two when for 12 years they didn't give you any. The conscientious agent has been spending a lot of time just keeping his insured informed. But this has certainly gotten many agents re-acquainted with their insured.

Can't companies have a uniform account current? That saves a lot of time. Our companies do and maybe the time will come when bureau companies all use this. Why can't endorsements be standardized for every company and every type of policy? Why so much duplication of information to be typed on endorsements?

The agent wonders why the payroll auditor and safety engineer don't create more good will. The auditor should be that and not a gum-shoe. Stay in behind your payroll auditors and safety engineers, know what they are doing, or they can cost you a lot of good business by just not thinking. We lost a fine account because the payroll auditor got into an argument with insured over \$200 worth of payroll that would produce a premium of less than \$10. The auditor contended it should be one classification and insured another. We should work closely with these men and try to get them sales and good will conscious.

The agents wonder why companies appoint unqualified agents. One unqualified agent had no more than got into the business than 12 company representatives called on him in two weeks to plant their companies. Yet companies wonder why the loss ratio is bad. The company will put a man in business today and give him a better deal than agents who have been in the business 20 years or more. Go check your agency contracts and if you don't have contingents, ask for them—they are passing them out. Realtors selling insurance on the side get the same deal you do. It behooves companies to quit running around looking for premiums and improve their agency appointments. Some consideration should be given for knowledge. Why not a 2% discount for paying the balance within 10 days after it is due?

I love company men, general agents and special agents, but when six or seven descend on me in one day and take 15 or 20 minutes of the time of each of 15 or 16 men working in the office, that is expensive. Why not wait till they have something constructive? We are not behind in our balances and they just get in our hair. We are going to get down to having less companies.

Companies should give all agents the right to settle losses up to \$250. They trust us owing them thousands of dollars but not with \$200 loss draft authority. Settling a loss gets the agent a lot of good will.

This brings us to the adjuster, who often thinks he is the guardian of the company treasury and that if he pays a few dollars extra on a claim the company will go broke. The agent in a small town who has to wait for the adjuster to come to town to settle the losses sure needs help. What happens when he does? If you have one estimate he wants two; if you have two, he wants three. If you have a damaged automobile, he walks around the car to look it over then kicks the tires. An agent should go with the adjuster whenever possible to act as go-between adjuster and insured. If not, the loss may end up with a lawyer and instead of getting \$10, \$20 or \$50 extra, insured gets \$100 extra. In addition insured is mad at the adjuster and agent and the latter loses a good account. If you can spend five to make 10, spend it. That is good business. One reason the direct writers and mutuals are making inroads is that the agent is so used to sitting in his chair, when a loss occurs he reports it to the adjuster and that is the end of it. Insured is paying you for round the clock service.

On perpetuation of agencies, we have a purchase agreement with our agency and in turn have agreed that we will sell our stock to the young men coming along in the agency when the time is right. At present, if anyone leaves the agency or dies, our stock has to be sold to the agency. We also have a pension plan. Men who are getting up in years should look around for a young man to take in—give him a chance to buy a working interest so you can perpetuate your agency.

PERSONALS

R. A. McGuire, executive vice-president of Pacific Employers, and Mrs. Ruby Lee Walker were married May 24 at Santa Barbara, Cal. They will spend their honeymoon in Europe and make their home in Pasadena.

Mrs. Peggy Sullivan of Western Insurance Information Service and editor of the monthly news bulletin of WIIS, has been reelected president of California Assn. of Press Women.

Charles W. Cook, local agent at Moultrie, Ga., was honored the other day on observance of his 30th year as treasurer of the Moultrie Red Cross. He was presented a 30-year button.

Karen Greer, daughter of Lloyd E. Greer, executive secretary of South Carolina Assn. of Insurance Agents and Mrs. Greer, has won a four year scholarship to Vassar College, where she will enroll this fall.

Fred C. Buse of Aetna Casualty has retired. He had been with the company for more than 33 years, primarily in production and liability underwriting in New York.

Hugo Deffner, Oklahoma City agent, was named "Handicapped American Of The Year" at a meeting of the executive committee of the President's

committee on the employment of the physically handicapped. President Eisenhower presented Mr. Deffner with a special trophy.

Gail Goss, daughter of George Goss, manager of Insurers of Tennessee, and Mrs. Goss, and Harold R. Knight of Jacksonville Beach, Fla., will be married in Nashville June 7.

Roy S. Thompson, Jr., president of American Southern of Atlanta, is the proud father of a baby boy, the Thompsons' third child.

Henry F. McGraw, local agent of Louisville, Miss., has been elected mayor there. In a runoff he won by 85 votes.

Lawrence Shearer Jr., local agent of Benton Harbor, Mich., has been elected president of Twin Cities Junior Chamber of Commerce. He has been active in the group since 1952 and has served as secretary, vice-president and director.

J. W. Preston Jr., son of the manager of Maryland Casualty at Charlotte, N. C., has been elected to Phi Beta Kappa in his junior year at University of North Carolina.

John W. Lamble, president of American Equity group, is on a European trip which included London and Switzerland. He expects to return in time for the commissioners' convention in Atlantic City.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, May 28, 1957

	Bid	Asked
Aetna Casualty	139	143
Aetna Fire	68½	69½
Aetna Life	206½	208½
Agricultural	27½	28½
American Equitable	32½	33½
American (N. J.)	27½	28½
American Motorists	10½	11½
American Surety	18½	19½
Boston	34½	35½
Camden Fire	28	29
Continental Casualty	92½	93½
Crum & Forster com.	55½	56½
Federal	37½	38½
Fire Association	43	44
Fireman's Fund	53½	54½
Firemen's (N. J.)	34	35
General Reinsurance	51½	52½
Glens Falls	39½	40½
Globe & Republic	18½	19½
Great America Fire	35½	36½
Hartford Fire	154	156
Hanover Fire	37	38
Home (N. Y.)	39½	40½
Ins. Co. of No. America	103½	105½
Maryland Casualty	37	38
Mass. Bonding	31	32
National Fire	80	82
National Union	36½	37½
New Amsterdam Cas.	48	50
New Hampshire	38	39½
North River	34½	35½
Ohio Casualty	22½	23½
Phoenix Conn.	67	68
Prov. Wash.	18½	19½
St. Paul F. & M.	63½	65½
Security, Conn.	29	30½
Springfield F. & M.	44½	45½
Standard Accident	59	60½
Travelers	85½	86½
U.S.F.&G.	71	72½
U. S. Fire	26½	27½

DEATHS

GILBERT N. SUMMER, 58, agent at Peru, Ind., died of a heart ailment.

KENNETH H. ERSKINE, 63, regional manager of Royal-Globe group at Syracuse, N. Y., died there. He joined L&L&G. at Boston in 1925 and was appointed manager of the office there in 1926, and in 1954 was advanced to regional manager at Syracuse. A co-founder and past president of Bay State Club, he was a director of Insurance Library Assn. of Boston and a director of Insurance Society of Massachusetts.

H. T. LOCKRIDGE, 54, California state agent of Cotton Insurance Assn. for 16 years, died in Los Angeles following surgery.

JOHN P. COLLINS, agent of Elizabethtown, N. C., reported missing for four days, was found dead in his automobile near Elizabethtown. Death was attributed to natural causes.

GEORGE D. JENKS, 76, agent at Holt, Mich., a suburb of Lansing, for 27 years, died.

EUGENE O. MAGRUDER, 72, who operated the Magruder agency at Pleasureville, Ky., died.

Swett & Crawford Elects Six New Vice-Presidents

Six new vice-presidents and three new directors have been elected by Swett & Crawford of Los Angeles. The new vice-presidents are Kenyon Bevan, V. William Hamner, Robert R. Riley, W. E. Sibley, K. W. Swett, and L. B. Swett. New directors are Ralph B. Smith, auto and casualty manager at Los Angeles; Burney Chandler, fire manager at Los Angeles, and M. L. Yandle, Oregon manager.

Mr. Bevan has been manager of Southwest Underwriters at Dallas since 1952 and before that was with Swett & Crawford at Seattle for three years. Mr. Hamner, manager at Seattle since 1954, has been with Swett & Crawford for 15 years. Mr. Riley has been with the organization for 34 years and is a member of the executive committee.

Mr. Sibley joined Swett & Crawford in 1938 and for 14 years has been manager of the Lloyds department. K. W. Swett joined Swett & Crawford in 1953 as assistant manager in charge of country business, and L. B. Swett has been assistant manager in San Francisco since 1953.

Ownership and management of Swett & Crawford was transferred to active staff members at the beginning of this year. John H. Archer was elected president and C. T. Zinn and John J. Haster of San Francisco and B. G. Drummond and John C. Spencer of Los Angeles were elected vice-presidents.

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AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE

Addy Says Agency System Not on Trial

(CONTINUED FROM PAGE 7)

being useful locally. Today there is the same challenge. The agent must beat direct writing competition on his, the agent's, home grounds. The evidence indicates that agents who are out working are meeting the challenge successfully. The wide awake, aggressive agent has not lost much business to the direct writers. Direct writers with few exceptions are attacking the easy business—individual automobile

and fire risks. They are looking for the cream business, the low limit business. That is why the agent must watch his accounts carefully to be sure he is not taking care of the tough ones without getting a fair shake of the good business.

The agent's commission is so evident in the cost of a policy that it is always vulnerable to attack by enemies of the agency system, Mr. Addy commented. It is the first and about the only factor that cut raters and direct writers can attack and eliminate from the basic rate for a coverage. They do so on the theory that the local agent is unnecessary entirely and that his value is overrated by the advocates of the system.

In the case of the curbstone, part time, political and indifferent agent they are correct, he said. In the case of the full time, well informed, hard working, conscientious agent, they are 100% wrong.

Are commissions too high, or too low, he asked. The agent who doesn't earn his commission by his efforts would be overpaid no matter what the rate of commission, he declared. What is the measure to use in determining whether the agent justifies his commission earnings?

"A complete understanding of every coverage he sells," Mr. Addy said. "His ability to provide proper and adequate protection to his clients to have his customers protected when the loss occurs. To select the best markets for his policyholder. To fulfill his part of the contract with the company and insured. To keep the policy coverages up to date. To recognize and protect his clientele against new and unusual hazards, and in the event of a claim, to assume complete and full responsibility for a fair and just settlement of the loss in accordance with the policy provisions.

"In performance, be more than an order taker. Be a guide, a counselor, an analyst. Make the survey, underwrite the risk, write the policy, collect the premium, process the claim and in many cases draw the claim draft."

He said he did not advocate a policy fee instead of a rate of commission on a total policy premium. In many communities \$10 policies are still written and at a 20% commission the local agent is losing money if he does the complete job. He goes through the same motions of procedure as he does with a \$100 policy. A sliding scale of commission is now in effect on some classes of business, on the theory that on large risks the total premium may not reflect the agent's efforts on the risk.

The third party liability premium on a car may be \$60 in one territory and 35 miles down the road the premium for the same coverage may be \$150, so that with the same amount of effort one agent may have \$12 commission income while the other has \$30.

This problem is something for agency associations to study carefully, he said. Thinking agents and agency companies have a common interest in the subject of commissions. They must be fair and reflect the agents effort and be justifiable in the minds of the insuring public.

Agents must be equipped to justify the rate difference that represents

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their commission, with knowledge and service, which the qualified agent is able to do provided his earnings, which reflect in the rate, are reasonable and actually worth the difference in cost to insured. The unqualified agents who do business in 1957 with 1937 equipment are easy prey to the direct writers, but the qualified agent, even though he may be annoyed by direct writer competition, does not lose much of the business he wants.

What are the companies going to do about the direct writer market? There isn't much they can do, he said. The direct writers with their cut rates get the same net premiums as the commission paying companies do and with the experience developing adversely on most lines, companies need what they have been getting and probably more if the poor experience trend continues.

All that glitters is not gold and many policyholders who have taken a flyer with companies who do not have local agents are finding this out, he declared. When it takes seven months and 16 letters to secure a return premium of \$7.93, when it takes eight months and many letters to collect \$16 above \$50 deductible collision, when a reputable garage was asked to furnish four itemized bills to justify a repair item of \$23.25, there isn't much chance a great deal of good will can develop.

Agents and agency companies make mistakes too. But with a partnership of a company and a local agent functioning everyday, there are less chances for mistakes and when they do occur, there exists an honest will to correct them. There are problems in the agency system, too many unqualified agents, part timers, those who are resting on oars, and not enough young men. Qualification laws cannot be made retroactive. Companies, however, could do more about the situation. Some companies should hang their heads in shame over their past records in agency appointments. A sorry agent in a community casts a reflection on every other agent there.

Mr. Addy praised the associations for their work in grading up agency representation. He also paid tribute to the general agent's important part in the development of the industry.

There is no cause for concern about the agency system's future in this country, he said. According to the 1956 record it had one of its most productive and profitable years. But in hard times and good the most successful agencies meet the challenge.

Wm. H. McGee & Co., Inc.

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and similar covers

HIC Survey Shows Further Gains in Insured

(CONTINUED FROM PAGE 2)

organization, the council estimates more than 115.9 million persons were protected by hospital expense insurance.

Surgical expense insurance was provided by insurance companies to 62,996,000 persons; 42,570,000 by Blue Cross-Blue Shield; and 4,909,000 by the other health care plans. Allowing for duplication, the council estimates

101.3 million persons protected against surgical costs.

Regular medical expense insurance accounted for 33,907,000 persons through Blue Cross-Blue Shield, while 29,756,000 were covered by insurance company programs, and 5,276,000 under the miscellaneous plans. The unduplicated total having regular medical expense protection was 64.9 million.

Major medical expense insurance continued its upward trend. Coverage through insurance companies under all forms of major medical programs rose to 8,876,000 persons. Of these, 8,294,000 had protection through group policies.

In 1956, the council said, 31,688,000 persons were covered by insurance company loss of income policies. The number of people who work where there is a formal sick leave payment arrangement would bring the total figure to 40,988,000 persons who are protected against loss of income.

A TRUE STORY FROM COMBINED FILES



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We'd like to tell you about one Combined agent who has had a meteoric rise to success. We even find it hard to believe that only 8 years ago he was just another struggling insurance salesman.

This man discovered a package that projected him into the realm of big business, where he found not only wealth, but happiness beyond his fondest dreams.

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income under Combined's renewal program. Our agent now limits his activity to planning and supervision and flies his own plane in contacting his field personnel.

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A & S

Florida A&H Assn. Elects Boyle President at Annual Meeting

A record turnout of 141 members elected Robert Boyle president of Florida Assn. of A&S Underwriters at the annual meeting in St. Petersburg. Mr. Boyle, general agent in St. Petersburg for Combined of Chicago, was chairman of the convention.



Robert Boyle

Other officers elected were: Virgil Thompson, Provident L.&A., Orlando, vice-president; Del F. Marcotte, Mutual of Omaha, Tampa, vice-president; and Gene Bennett, Continental Casualty, St. Petersburg, secretary-treasurer. New board members are Nat Lyon, Mutual of Omaha, Jacksonville, and William Middleton, New York Life, Miami.

Deputy Commissioner J. Frank Alexander was presented with the C. B. Pepper memorial award as the person who has done the most to advance the efforts of the A&S business in the state during the past year. Earle R. Bennett, Provident L.&A., Tampa, chairman of the awards committee, made the presentation.

Principal speakers at the convention were John Gaule, Mutual of Omaha, and Dr. Frank Goodwin, professor of marketing at University of Florida.

L. A. A&H Managers Hear Agent Training Panel

A&H Managers Club of Los Angeles heard a panel discussion of methods of training new agents at the May meeting. Panel members included F. Kenneth Stoakes, Loyal Protective Life; Milton L. Rose, Paul Revere Life, and James Perry, Pacific Mutual Life.

Mr. Stoakes presented a training schedule which he uses in developing a market for the new agent. Mr. Perry explained his company's new training plan and said he favors use of package sales for new men. Mr. Rose requires new men to submit a list of prospects as preferred leads and advocates use of the cold canvass in selling businessmen.

St. Louis A&H Assn. Names C. C. Renow President

A&H Underwriters Assn. of St. Louis has elected Claude C. Renow Jr., World, president to succeed J. L. Lewis, Mutual Benefit H.&A., and has named D. H. Means, American National, vice-president; M. M. Mickey, Mutual of Omaha, secretary, and Wheeler K. Mueller, Bankers L.&C., treasurer. Ben J. Hitz and H. B. Miller, both of Mutual of Omaha; L. I. Cramer of World, and John Dugan, General American Life were elected to the board.

Maguire Joins American Casualty

Lincoln Maguire has joined American Casualty as sales superintendent of A&S in the commercial division in the home office.

Stress Group A&S Sales

C. W. Stewart and Donald B. Simon, group supervisors for Paul Revere Life, spoke at the May meeting of Los Angeles A&H Underwriters Assn. on "The Brass Ring of A&H Insur-

ance." They contended that group A&S is the symbol of success, offering not only a good piece of business in itself but opening the door for other lines.

Continental Casualty New Group Plans Offer Cancer Coverage

Continental Casualty is introducing two group plans covering cancer. The coverages will be available nationwide to employer-employee groups as approvals are obtained from insurance departments.

Written by the special risks division, the cancer plans can automatically cover the employee's family, husband, wife, and all unmarried children under 21. One plan pays up to \$5,000 unallocated medical expense benefits for cancer which has been diagnosed under laboratory inspection. For insured employees, age 50 to 65, and their insured dependents, the first \$500 is deductible. Beyond the deductible amount, the company pays 75% of the reasonable medical expenses incurred up to a maximum of \$5,000.

The other plan pays up to \$1,000 unallocated medical expense benefits for laboratory diagnosed cancer. For insured employees, age 50 to 65, and their insured dependents, the plan pays 75% of the reasonable expenses incurred up to a maximum of \$1,000.

Both plans also include up to \$10,000 unallocated medical expense benefits for polio and 10 other specified dread diseases. They pay benefits when the first symptoms appear after the effective date of individual coverage. Payment is up to three years' treatment.

Name Douglass Head of Richmond A&H Assn.

Richmond Assn. of A&H Underwriters has elected Birch Douglass, general agent of State Mutual, president.

Also elected were John Hudson, Life of Virginia, vice-president; Fay F. Cline, Travelers, secretary, and Robert Hines, Mutual Benefit H. & A., treasurer. Chosen directors were Harvey M. Jones, North America Society, Marcel Piller, Mutual Benefit H.&A., and James Bradshaw, Nationwide.

Health Service Names Counsel

James R. Alderman has been appointed staff counsel and director of the legal department for Health Service and Medical Indemnity. Health Service is a stock company wholly owned by Blue Cross Assn., and Medical Indemnity is its counterpart for Blue Shield.

St. Paul Insurer Promotes Four

St. Paul Hospital & Casualty has promoted Oscar Lipke to assistant general manager at the home office and has named Terrance J. McGovern field supervisor in southern Minnesota, Walter E. Bertram field supervisor in northern Minnesota, and Jack Fortner field supervisor in Minneapolis.

Botkin Joins Fidelifax

Charles F. Botkin, who for seven years has been special agent in the Chicago claims bureau of Assn. of Casualty & Surety Companies, is joining Fidelifax, a national investigating organization serving insurers. Fidelifax has 30 offices throughout the United States, each staffed with a former special agent of the FBI. Mr. Botkin will be manager of the Illinois franchise with offices at 205 West Monroe street, Chicago. He was a special agent for the FBI before entering insurance in 1950.

FIELD

Arthur G. Corry Named Special Agent in W. Kan.

Arthur G. Corry has been appointed special agent in western Kansas by C. G. Blakely & Co. general agency of Topeka. He has been a field man in Kansas for National Fire since 1949, and is a past president of Kansas Fire Prevention Assn.

R. P. Miller to Oregon for Great American

Richard P. Miller has been appointed Oregon special agent for Great American. He will have headquarters at Portland. He joined Great American in 1956 and has received training in the Pacific department.

St. Paul F.&M. Names Three in Mich., O., Ga.

St. Paul F.&M. has appointed Gordon E. Rowe special agent at Detroit, William S. Meyer special agent at Cleveland, and H. Robert Karl state agent at Atlanta. Mr. Rowe has been a casualty underwriter at Detroit since 1954.

Great American Has Md., Ala. Field Changes

Great American has appointed H. George Aldrich special agent in Maryland and transferred Special Agent William L. Hazelgrove to Alabama from Virginia.

Hawkeye-Security Appoints Crawford at Syracuse

Hawkeye-Security group has appointed Glenn F. Crawford special agent at Syracuse, N. Y. He entered insurance in 1948 and has been an adjuster with the companies since 1952.

95 at Jackson Outing

Jackson puddle of Michigan Blue Goose had an attendance of 95 members and guests for its golf outing at Arbor Hills. MLGG Jules Simoneaux of New Orleans was a guest, as was grand guardian Eugene C. Saulcey.

Frank H. Deverman, Yorkshire, big toad, was master of ceremonies. All the Michigan pond officers were present.

H. F. Hosford, Springfield F.&M. (retired), was presented a life certificate by PMLG Clarence B. Herrick, Yorkshire.

Caldwell to Ala. Field

Jack W. Caldwell has been named special agent in north Alabama for Fund group. He will have headquarters at Birmingham. He has been with Fireman's Fund in the southern department for nine years and has just completed attending the multiple line school at New York.

Hill Named in Ohio

Atlantic Mutual has appointed Frank D. Hill III casualty special agent in the territory supervised by the Cincinnati office.

Blue Ridge Appoints Jones in Ga.

Blue Ridge has appointed David C. Jones III special agent in Georgia with offices in Atlanta. Prior to joining Blue Ridge, Mr. Jones was special agent for Boston. He entered insurance in 1947.

Bartels Joins Mavon in No. Ill.

L. F. Bartels has joined G. A. Mavon & Co. of Chicago as state agent in northern Illinois. He has been in the territory for Dubuque F.&M. and be-

fore that was with Continental Casualty in a similar capacity for four years. He started in insurance with National Fire.

N. H. Fire Group Names Brumbaugh Special Agent

New Hampshire Fire has appointed Vere Brumbaugh special agent in Orlando, Fla. He succeeds Raymond L. Lewand who has been transferred to the southern headquarters at Jacksonville.

Kan. Fire Prevention Assn. Names Epperson President

Kansas Fire Prevention Assn. has elected Robert L. Epperson, Kansas City F.&M., president; Howard E. Prater, American, vice-president, and A. B. Schumacher, Aetna Fire, secretary-treasurer (reelected).

Mich. Fire Prevention Assn. Names Gunderson President

Michigan Fire Prevention Assn., meeting at Jackson, elected Arthur L. Gunderson, Northern of London, president, succeeding John F. Hyde. David H. C. Morris, Great American, was elected vice-president; J. E. Macy, Buckeye Union, secretary, and Willard E. McDermott, Hartford Fire, assistant secretary-treasurer.

Inspect Woodbury, Conn.

Connecticut Fire Insurance Field Club conducted an inspection of Woodbury recently. Members of the club fire prevention and safety committee responsible for the activity included J. T. Fennessy of American, John E. Pinkney of Security, Joseph Flach of Agricultural, Henry Spear of New England Fire Insurance Rating Assn., Edward Freeman of Fireman's Fund, Thomas F. Talbot of London Assurance, George Lord of American and Joseph Murdy of Atlas.

Celina Mutual Names Two

Celina Mutual and National Mutual have appointed William J. Salmon special agent in Ohio with headquarters at Canton and A. Clyde Nestor Jr. special agent in Ohio with headquarters at Cambridge.

R. J. Moriarty Is Big Toad

Grand Rapids puddle of Michigan Blue Goose has elected Robert J. Moriarty, Northwestern F.&M., as big toad; Samuel Gray, New York Underwriters, pollywog; D. J. Moore, Ohio Farmers, croaker; Ray Richardson, Corroon & Reynolds, keeper; William Greninger, Home, bouncer, and Arthur Olsen, Campeau, Mullally & Meier, tiny pollywog.

Cincinnati Names McDonald

Robert W. McDonald has been appointed state agent in northwestern Ohio for Cincinnati with headquarters at Columbus. He has been with Home and before that had local agency experience.

Col. Pond Honors Two

Life membership certificates were presented to G. L. A. Lauer, Toplis & Harding, and E. B. Lilly, General Adjustment Bureau, at a meeting of California Blue Goose. The presentations were made by Mark Wells, grand custodian.

Mountain Insurance Field Club of Vermont and New Hampshire will hold its annual outing and dinner June 10 in Newcastle, N. H.

The may meeting Northern California CPCU chapter featured a report on "Improving the Comprehensive Liability Policy" prepared by the East Bay study group.

American Group Names Marshall in Boston, Shifts Burdick to Pa.

American group has appointed Edward O. Marshall bond manager in Boston, and transferred R. E. Burdick from Newark to Pittsburgh to succeed Paul W. Bird as fire manager there. Mr. Bird has resigned.

Mr. Marshall formerly was resident vice-president of Peerless in Boston. He was with National Surety from 1925 to 1948, when he joined Peerless as supervising bond underwriter. He was advanced to vice-president in 1952.

Mr. Burdick has been fire manager of American Auto in Newark. He entered insurance with Hardware Mutual in 1933, went to General Accident as a special agent in 1943, and joined American Automobile in 1953.

Mutuals Revise Auto Rates in Ark., Ill.

Mutual Insurance Rating Bureau has revised private passenger and division 1 garage liability rates for Arkansas and commercial car and division 1 garage liability rates for Illinois, effective May 22.

In Arkansas, class 1A is increased \$3 in Little Rock and Fort Smith, and \$5 in all other territories. Class 3 is increased \$4 in Little Rock and Fort Smith, and \$7 in other state areas. Class 2C is increased \$31 in those two cities and \$36 in the rest of the state.

Increases in class 2A range from \$7 to \$10 throughout the state.

Division 1 garage BI is increased 1.8% and PDL raised 50%.

In Illinois, rates for commercial vehicles are increased an average of 14.7%. The amount of the increase is 25% for BI and 4% for PDL. The revision also involves the introduction in Illinois of the commercial classifications and differentials applicable in practically all other states.

Class 5CA, the most widely used commercial class, is increased \$26 in Chicago, \$13 in East St. Louis, \$15 in Peoria, and from \$1 to \$13 in the other territories. Corresponding increases are also effective for other commercial classes.

Division 1 garage liability rates in Illinois are increased an average of 25%.

Farm Rate Credit Plan Is Approved in Iowa

The Iowa department has approved the special farm survey and credit rating plan. This is the program that is in use in Minnesota and several other midwest states.

Newly elected officers of St. Paul Assn. of Insurance Women were installed at a dinner meeting this month. They are Mrs. Kenneth Salt, president; Miss Mary Rodgers, vice-president; Mrs. Lucille Mickelson, recording secretary; Mrs. Joseph Poltreis, corresponding secretary, and Miss Dorothy Tschida, treasurer.

Employers Re Names West to Succeed Morse as V-P for Casualty

Employers Re has promoted Elmer L. West to vice-president in charge

of casualty underwriting at the home office to succeed Vice-president Rupert G. Morse, who has retired. Mr. West has been in casualty underwriting with the company for 10 years as assistant secretary and as assistant vice-president.



Elmer L. West

Elect P. J. O'Connell New Hampshire Fire Secretary in Pa.

New Hampshire Fire has elected Philip J. O'Connell secretary. He will be in charge of the group office in Upper Darby, Pa., and will supervise multiple line operations in Pennsylvania, and casualty and marine operations in Maryland, Delaware and the District of Columbia.

Mr. O'Connell joined the group in 1937 as a special agent in eastern Pennsylvania, subsequently became state agent, and has been serving as executive state agent with headquarters in Wilkes-Barre.

St Louis to Insure Non-Instructional School Units

ST. LOUIS—The city board of education at its May meeting voted to continue to purchase commercial fire and EC coverage for non-instructional properties in the school system. Existing policies on all school buildings have been cancelled, however, to allow the board to indulge in a self-insurance program under which \$75,000 will be set aside each year to offset fire, wind and other damage to school buildings. There is already \$400,000 in this fund, considerably less than would cost to build an average elementary school.

Non-school buildings to be covered by insurance include the administration building, some greenhouses and a shops building.

Faust to Nelson & Warren

ST. LOUIS—J. E. Faust Jr., who has been associate actuary for State Farm Mutual at Bloomington, has joined Nelson & Warren, consulting actuaries here. He will work primarily in group, A&S, credit and casualty lines.

An associate of the Casualty Actuarial Society, Mr. Faust has been associate actuary for the Indiana department and the group permanent department of Continental Assurance. Before joining State Farm, he spent seven years as group actuary of Nationwide Mutual.

Investigate our simplified program for insuring

School Property

Here's a great door-opener and prestige-builder for agents who want to serve schools. The School Property Floater insures Sports Equipment and Uniforms; Band Equipment, Uniforms and Musical Instruments; Cameras and Photographic Equipment; Theatrical and Laboratory Equipment; Libraries and Fine Arts. Write T. Ogburn, V.P., Reading, Pa.

AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE

AS CERTAIN AS THE TIDE



... the faithful services of your

BIG* AGENT

*BOSTON INSURANCE GROUP



BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY

87 KILBY STREET



BOSTON, MASS.

(Agent's name, address and telephone number)

Glossy prints of this ad are available for newspaper reproduction. Without obligation, of course.

... Nervous about claim service?

RELAX!

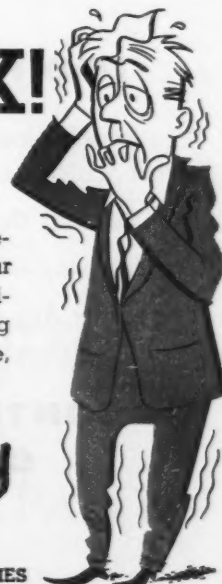
Yes, relax! You can with the Hawkeye-Security-Industrial Group on the job. Our adjusters are paid to give you fast, efficient claim service—nationally. Acting with authority, and years of experience, they do the job RIGHT—RIGHT NOW!

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AND

INDUSTRIAL INSURANCE COMPANIES

11 BRANCH OFFICES: CHICAGO, DENVER, DES MOINES, GRAND RAPIDS, INDIANAPOLIS, KANSAS CITY, NEW YORK CITY, OMAHA, SIOUX FALLS, SPRINGFIELD, ILL. and WASHINGTON, D.C. HOME OFFICE: DES MOINES



'57 May Be First \$1 Billion Fire Loss Year

(CONTINUED FROM PAGE 2)

months of the year. Last year they totaled \$989 million."

This has naturally raised the question, he said, of whether "all this fire prevention activity by our business and the public really prevents fires." The answer, he declared, is yes, although he commented that "it may seem paradoxical to talk about the effectiveness of fire prevention and protection activities when fire losses are

rising as they have been every year since 1950," and "if this rate of increase keeps up 1957 may be the first billion dollar fire loss year in history."

Prior to Mr. Hullett's address the chairmen of various committees rendered their reports. Among the foremost were those given by President S. Dwight Parker of Springfield F.&M., on fire prevention and engineering standards, and C. M. Gallagher, U. S.

manager of Atlas, on construction of buildings. Both reports emphasized the problem of big fires and brought out factors responsible for the present high incidence of large loss fires.

Mr. Parker said investigations by the board have revealed that a large number of big fires involved delayed discovery, occurred in buildings of large undivided areas, and in small communities where suitable municipal fire protection does not and cannot be expected to exist.

He pointed out that in instances of delayed discovery, the building was

heavily involved before the fire was discovered—usually by a passerby—and said that "there was a general lack of competent watch service and automatic sprinkler protection." In instances of buildings of large undivided areas, he explained it was axiomatic that "large undivided areas make for large losses." The correlary, he said, is that where industrial processes are thought to preclude subdivision by fire walls, reasonably adequate subdivision can often be obtained by curtain walls and water curtains.

Of big industrial fires in small communities, he said that businesses setting up large operations in such locations should expect to supply their own private fire protection in order to make up for this deficiency in public protection. The current situation, he added, can be expected to intensify as more and more businesses move away from the larger centers of population.

The weakest feature of fire departments is manning. The large number of fires resulting in additional alarms is more often not because additional apparatus is needed, but because more men are required to properly employ the apparatus already there, he said, and the delay involved can be especially serious where the fire has already gained headway and is spreading fast, as in cases of delayed discovery.

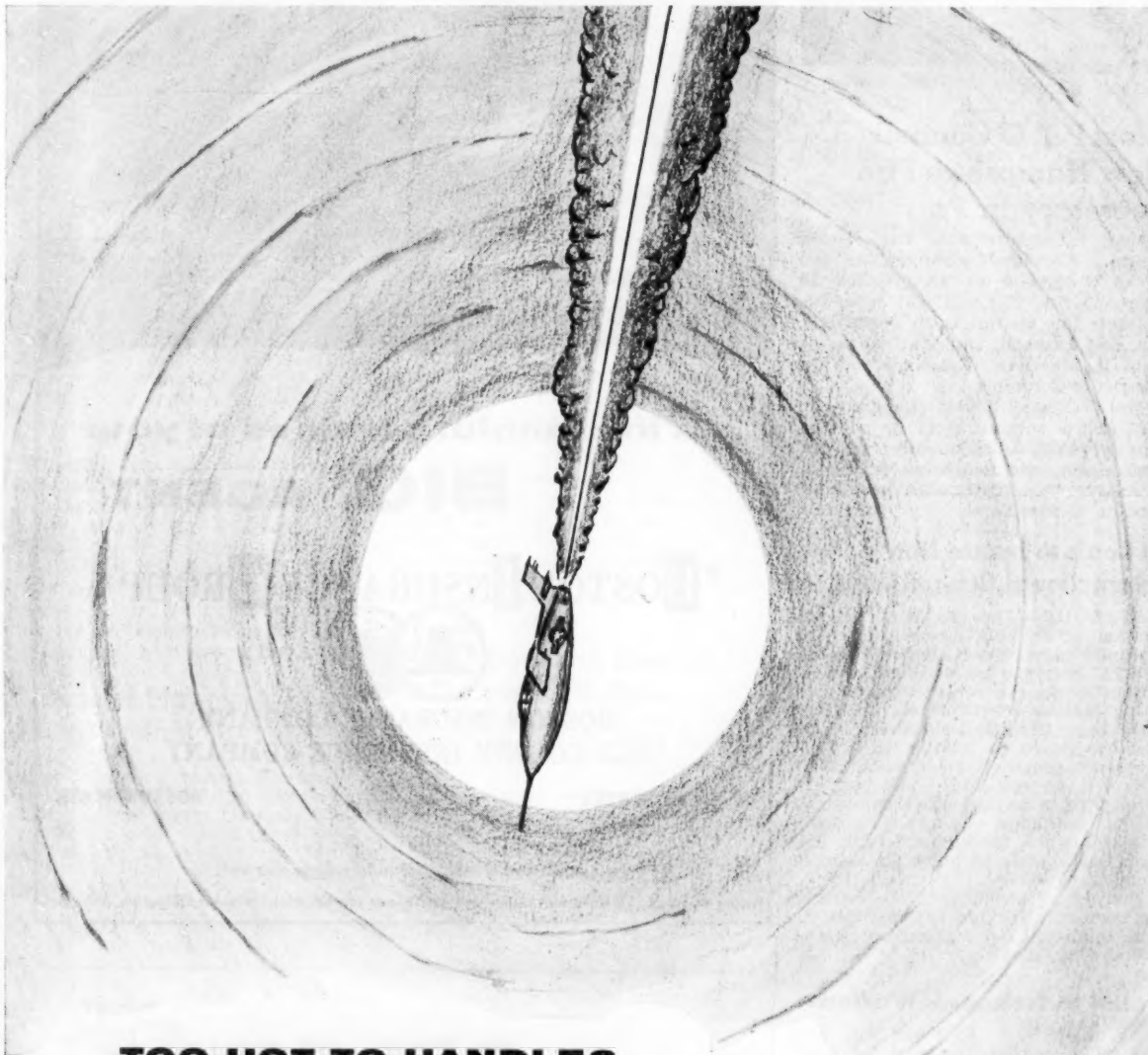
Mr. Gallagher said the adoption and strict enforcement of suitable building and fire prevention codes would do much eventually to eliminate the type of risk responsible for the large fire. He said that one important factor responsible for the present high incidence of large loss fires is construction weakness resulting from failure to comply with requirements found in the national building code, which is ready made for adoption by communities endeavoring to regulate building construction that will assure reasonable safety to life and property.

As it has for the past 40 years, the National Board public relations program has been increasingly successful, President A. E. Heacock of Pacific Fire, reported. He cited the board's regular national magazine advertising program and its special 13-week radio-TV advertising schedule as being the principal avenues of PR activity, and noted that agent cooperation and tie-in advertising were gratifying in volume.

John Newlands, Scottish Union, said in his report on incendiarism and arson, that fires set by pyromaniacs and juveniles are accounting for about 50% of the nation's incendiary fires, and with regard to arson in general, pointed out the number of investigations of suspicious fires during 1956 was 3,269—a decline of 124 from 1955. He said, however, that there were an unusually large number of church fires last year, many of which were set by irresponsible adults or children.

Reporting for the committee on adjustments, Olaf Nordeng, Aetna Casualty, reported that the wide acceptance and availability of broad forms of coverage, including package policies, have created a steady flow of inquiries in a continuing effort to deal fairly with a variety of claims not heretofore encountered.

Edwin H. Forkel, National Fire, in his report on statistics and origin of losses, made public for the first time partial results of a continuing research study of the factors involved in fire losses of \$100,000 or more, begun over four years ago.



TOO HOT TO HANDLE?

A pilot needs know-how and guts to blast an experimental rocket plane up to the edge of the thermal barrier at 1,900 m.p.h. plus.

You could say the same about the company that insured him.

The company—Continental Casualty.

The point? Any time you feel a risk—any size, any type, any line—is too hot to handle, that's the time to call...

CONTINENTAL CASUALTY COMPANY

Chicago 4, Illinois

1897—Diamond Jubilee Year—1957

A MEMBER OF THE CONTINENTAL-NATIONAL GROUP • OFFICES ACROSS THE CONTINENT... ONE NEAR YOU

Ga. Agents Review Developments at Workshops

(CONTINUED FROM PAGE 7)

ment, though some take time and trouble to get clear. He noted that good agents seldom have violations.

But the main work of the bureau is rating. The agent wants rates high enough so the company can make money, and the agent get a good commission, but low enough so another agent can't undercut and take the business away from him, he observed. The bureau publishes 100 rates a day. July 1 the bureau is issuing a fire policy with a new page 1 format which is expected to save 35% of the typist's time in writing it. The bureau also is issuing a new rule book, a consolidation of existing rules not presently under one cover. It will contain no schedules, he said—and this drew applause.

Mr. Beall discussed the values of a company adjusting organization. The adjuster, he said, provides a service which produces sales. In 1956 GAB handled about 500,000 claims involving payment of almost \$500 million. He touched on the catastrophe program of the bureau and emphasized the need of handling small losses with skill and satisfaction because of their public relations value.

GAB cannot represent direct writers, he said. On multiple company losses it will, if requested, handle non-shareholder company losses. Certain agency companies are being allowed to purchase stock, he said, so that eventually GAB will serve only shareholders.

Beginning July 1 GAB is going to assessment type billing, thus getting away from billing for individual losses, except casualty claims. This is expected to save the companies \$2 million annually, he said. He pointed out to agents that GAB is competing with independent adjusters who represent direct writers, mutuals or whoever will pay them.

The most controversial feature of the family auto policy, Mr. Miller said, is the definition of pickup truck. The only one on which the policy can be written is private passenger pickup as defined in the manual. He suggested agents should write FAP on all eligible autos in a family; otherwise the other auto(s) are excluded from the coverage.

Mr. Reid described FAP, UM and D&D as the best weapons against compulsory. UM is written on those eligible for FAP, and almost all are eligible for D&D. He said he expects UM for non-auto owners in Georgia in four or five months. He noted that under FAP a resident of the household or a relative does not have to have permission of insured to drive the car but under UM they do. All FAPs should have UM, he thinks. He thinks there is a definite market for UM and D&D.

Mr. Williams said the new storekeeper's is a policy agents can go out and sell. The best prospects are clients who now carry limited storekeeper's burglary. Is damage caused by forcible egress covered? Yes, Mr. Williams thought.

Mr. Taylor indicated in answers to a question that comprehensive personal liability would cover insured if, while on a trip with Boy Scouts, a boy was injured and the CPL insured faced a suit.

How can UM losses be settled if there is no arbitration machinery? Mr. Reid indicated that there is arbitration machinery and observed that there has been no difficulty under the arbitra-

tion clause in New York where UM has been in force the longest.

If an agent sells D&D, isn't he overlooking a chance to sell a regular A&S policy, Mr. Reid was asked. Not at that low price, he replied. He said a municipal employee, such as a policeman with an FAP on his own car, would be covered. However, this is an underwriting problem. Companies are not

going to have two-car exposure for one-car premium, he said. If the company turned down the policeman, he would have to be written broad form DOC at 50% of the rate of the highest rated car he drives.

Under FAP if insured buys a motorcycle for personal use is it covered as a second car? No, Mr. Reid said. FAP does not cover motorcycles and scooters, although he admitted that the way the policy is written it would be hard to deny claim.

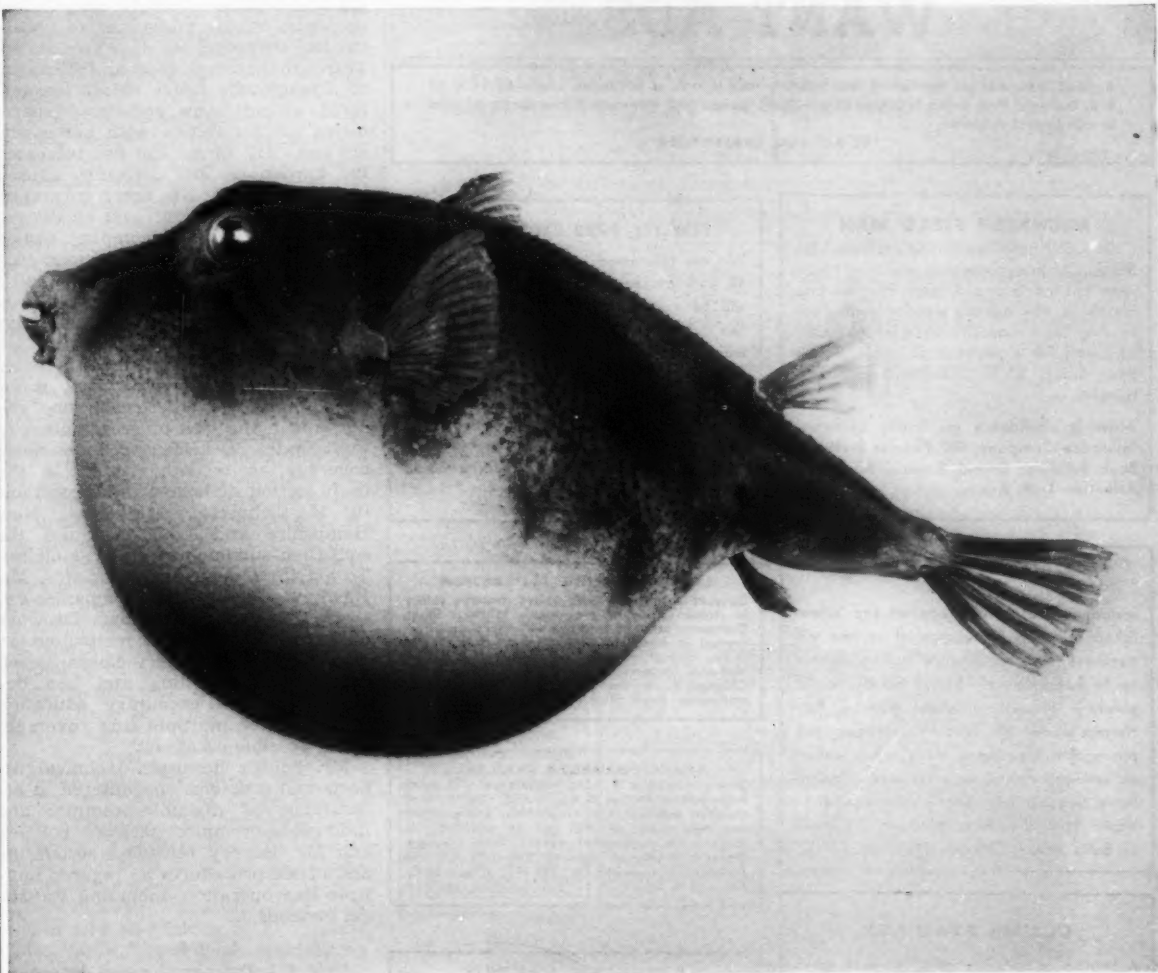
Why wasn't property damage in-

cluded in UM as well as bodily injury? Mr. Reid said this may come, he doesn't know. The agents said insured are asking them the question.

Under the storekeeper's, which is limited to concerns with four or fewer employees, if insured adds two employees in the policy period, are they covered? Yes, Mr. Williams said.

Mr. Reid said UM does not cover the second car if it is not insured under the family auto policy, but insured needs only one UM where both cars are insured.

"Unforeseen events . . . need not change and shape the course of man's affairs"



Courtesy of The American Museum of Natural History

He blows up on purpose

That's his protection against danger. But boilers aren't blowfish. There's always danger a boiler for heating or power will blow up . . . in a school, a hospital, office building, theater, industrial plant. Safety devices *can* fail. Humans err.

Without warning an explosion wrecks, maims, kills. It could happen to *you*.

But you can *guarantee* your financial safety with the full coverage of a Maryland Boiler Policy. Expert inspection service is available to minimize the danger of disaster due to mechanical failure or human error. Call your Maryland agent or broker today. *Because he knows his business, it's good business to know him.*

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

A Maryland Boiler Policy is only one of many forms of Maryland protection for business, industry, and the home. Casualty Insurance, Surety and Fidelity Bonds, and Fire and Marine Insurance are available through 10,000 agents and brokers.

Another striking advertisement to help build more business for the local agent or broker by dramatizing the importance of his knowledge and judgment.

Mutual Insurers Study Multiple Peril Forms, Operations at Chicago

Multiple line operations received close scrutiny at the midyear meeting of National Assn. of Mutual Insurance Companies' city fire conference at Chicago last week.

Richard K. Fowler, Indiana Lum-

bermens Mutual, first speaker of the two-day conference, traced the development of package policies and discussed the coverages provided under them.

A panel discussion of multiple line underwriting, claim adjustments, reinsurance and statistical procedures was moderated by Charles T. Coats, Indiana Union Mutual, Indianapolis. Participants were W. H. Rodda, Transportation Insurance Rating Bureau; Don Hawkins, Mutual Loss Research Bureau; Walter J. Schiltz, Mu-

tual Reinsurance Bureau, and Charles Burney, TIRB.

The problem of multiple line underwriting becomes difficult for the company which is not large enough to employ specialists in fire, casualty and inland marine fields, or which has in the past limited its operations to one particular line, Mr. Rodda said. He emphasized repeatedly the dangerous tendency of underwriters to minimize or to underestimate hazards with which they are unfamiliar, and stressed the need for cross-training of multiple line personnel to combat this tendency.

In drafting policy forms, underwriters and producers rarely consult loss people to avoid ambiguities of phrasing and coverage, Mr. Hawkins stated. This situation has created "dilemmas of a magnitude never before encountered by adjusters and loss departments" in connection with homeowners and CDP forms and has increased the burden on loss personnel caused by the wealth of new coverages, changes, and revisions, and by the recent decision of stock company owned adjustment organizations to cease representation of mutual insurers.

As specific problems in loss adjustment Mr. Hawkins listed the difficulty of defining "building structures" in replacement cost coverage under dwelling forms, apportionment problems under the other insurance endorsement, the lack of presumption of theft under mysterious disappearance coverage as recently added to the theft section of homeowners contracts in Massachusetts, Minnesota, New Hampshire and Louisiana, and the confusion surrounding collapse claims. To aid in solving these problems, Mr. Hawkins suggested that companies exercise closer supervision over the work of adjusters, be more meticulous in loss assignments, effect closer liaison between underwriting and loss departments, and encourage education and study of multiple line coverages on all possible occasions.

Mr. Schlitz discussed technical aspects and problems encountered in reinsurance of divisible-premium and indivisible-premium package policies, and Mr. Burney reviewed accounting and office procedures as regards multiple line operation, including statistical methods.

Lyle Eikelbarn, investment counselor for American Agricultural Mutual, pointed out that over the past 45 years investment profit has averaged more than three times higher than underwriting profit for all stock fire and casualty insurers and indicated that similar profit relationships were experienced by a selected list of 14 mutual companies over the past five years alone. He emphasized the value of maximum utilization of cash in a sound investment program and recommended the use of Treasury bills as a method of utilizing cash for liberal yield in a short period.

W. J. Hindman, Lumbermens Mutual Casualty, listed the advantages and ground rules for "brainstorming", and D. L. Achenbach, Country Mutual of Chicago, explained techniques and methods of improving office efficiency for multiple line operations.

The final morning of the conference was devoted to multiple line inspection programs. Harold G. Holmes, Northwestern Mutual, analyzed details of management and conduct of effective inspection programs, and a panel discussion on the subject reviewed inspection techniques for various classes of risks. D. A. Tripp, Mutual Reinsurance Bureau, moderated the panel.

First International Insurance Meeting Held in Philadelphia

If insurance companies will develop more flexibility in policywriting and seize opportunities for financial leadership, the insurance business faces a bright future in terms of profits, as a stabilizing economic influence and as a bastion of personal security for mankind. This was the consensus of 30 speakers discussing various aspects of "The Role of Private Enterprise in Insuring Life and Property Values" at the first International Insurance Conference of the University of Pennsylvania held in Philadelphia last week.

Representatives of every type of insurance from 35 countries gathered as part of the 75th anniversary celebration of the university's business school, John A. Diemand, president of North America, and M. Albert Linton, chairman of Provident Mutual Life, headed the sponsoring committee.

One afternoon seminar dealt with the relationship of government to private insurance. Robert Dechert, a university trustee and general counsel of the U. S. Department of Defense, was moderator. Adolph A. Berle Jr., professor of corporation law at Columbia university and former assistant secretary of state, challenged private insurance to take the lead to map long-term capital needs for the U. S. and then suggest the wise use of available capital.

John P. Walsh of the New York law firm of Watters & Donovan described the evolving pattern of regulation of insurance.

In the second panel, moderated by President James P. Crafts of Fireman's Fund, the impact of inflation was analyzed.

Representing organized labor, Jerome Pollack, program consultant in the social security department of United Automobile Workers, said that labor prefers finding long-term security through private social insurance rather than through governmental legislation. He said "far more flexibility" in providing personal coverage against all contingencies is required of the insurance business for this to happen, but labor is more than willing to pay its share toward such security.

From the management point of view, C. Henry Austin, Standard Oil of Indiana, termed insurance necessary and constructive. However, he called on the business to free itself of long-held prejudices against change in established rating and underwriting practices.

A paper read for Dr. I. S. Radvin, of the University of Pennsylvania school of medicine and chairman of American College of Surgeons, questioned the "fee-splitting" practices of many Blue Shield plans.

Two afternoon seminars took up health insurance, one on trends in Europe moderated by Ralph R. Lounsbury, president of Bankers National Life, and the other on trends in the U. S. and Canada, moderated by Dean Kulp of Pennsylvania.

Dr. Basil C. Maclean, president of the newly-formed Blue Cross Assn., said the question facing all interested in health protection was whether private voluntary plans could do the job in the U. S. well enough so that the government would not have to set up its own plans for adequate care.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

MICHIGAN FIELD MAN

Special Agent needed by Multiple Line Stock Company covering Western Michigan out of Grand Rapids Branch. Emphasis on new agency development. Four to five years casualty experience necessary with fire experience desirable. Prefer age group 25-35. Excellent employee benefits.

Write in confidence to: Trinity Universal Insurance Company, 502 Peoples National Bank Building, Grand Rapids, Michigan, Attention T. A. Kenny.

FIDELITY BOND UNDERWRITER

We are interested in a young man 25 to 40 with at least 2 years experience. He will be our Manager of Underwriting in this department if he can qualify. We will train him if necessary. We are one of the largest agencies in the country and handle national accounts. This opportunity is unlimited for personal growth. Location Chicago. Reply Box U-81, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL INSURANCE AGENCY WANTED

Insurance brokers with capital and established accounts in substantial volume will purchase General Agency writing volume up to approximately \$2,000,000.00, or will purchase interest in larger Agency. Purchasers under 50, lifetime company and production experience. May retain seller, on semi-retirement, or other basis. Preliminary negotiations strictly confidential. Reply: Harold J. Ross, Attorney, 29 South La Salle Street, Chicago 3, Illinois.

LIABILITY CLAIM SUPERVISOR

Unusual opportunity with above average salary in Home Office of progressive Midwest Stock Company. Must be attorney with thorough background in handling bodily injury claims. Age 35-45. Submit resume to Box U-44, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill. Replies held confidential. Our employees know of this ad.

BRANCH MANAGER AVAILABLE

20 yrs. Casualty & Bond experience with some Fire-Inland Marine & Accident & Health. Well rounded experience in Production, Underwriting and Administration. Will consider position with large local or general agency. Will relocate. Presently employed. Address Box U-74, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS EXAMINER

A leading multiple-line stock insurance group located in Northern Illinois, outside of the Chicago area has opening for a First Party Claims Examiner and a Casualty Claims Examiner. Excellent company benefits. Advise experience, age and salary expected, in first letter. Write Box U-69, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ENGINEER WANTED

Opportunity with large midwestern agency for man with 3 or more years Fire Rating Bureau experience. No traveling. Prefer engineer now located in Midwest. Salary open. Include resumé of education and experience in reply to Box U-75, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Reviews Practices in Installment Pay Coverage and Proposed Changes Ahead

Archie Trupin, chief of the research bureau of the New York department, gave a comprehensive review of insurance charges in consumer credit transactions in a talk before Passaic County (N. J.) Assn. of Insurance Agents.

Disclosures of abuses on the part of a few insurers and finance organizations have been given such sensational treatment in the press and other public forums as to cast a stigma upon the entire business, Mr. Trupin noted.

However, the significance of the disclosures made by the investigation of his department and by other states cannot be minimized, he added. Findings clearly indicated that a substantial number of unsuspecting consumers were either overcharged, sold paltry or non-essential insurance or services, or were generally misinformed or not properly informed about the nature of the insurance they were purchasing, he said.

The number of policyholders involved ran into many thousands and the amount of money involved ran into the millions. It was hardly a paltry matter.

Though the department identified and characterized a number of practices as "not in the public interest," such practices have not necessarily been illegal up to now. Most of the so-called abuses took place precisely because a statutory or regulatory vacuum existed. It soon became evident that appropriate legislative and other remedial measures were necessary. Some of these have already been taken and others are on the way.

Insurance on credit transactions represents a most useful type of protection if appropriate types of insurance are employed and proper underwriting practices are followed, he said. Credit life insurance fills a definite need for both lender and borrower. Other insurance sold in connection with installment purchasing or consumer loans also are playing a significant role in consumer credit transactions.

Classification of insured for auto collision rates was introduced in 1950, according to business or non-business use and the presence or absence of operators under 25. In 1955 the department found that a number of insurers specializing in automobile finance accounts had misclassified a high percentage of insured and substantially overcharged them.

This misclassification came about because of a faulty notification procedure between auto dealers and insurers. To discourage unfair competition between insurers through the device of downgrading a class 2 or 3 risk into a lower cost class 1, insurers were required to obtain a signed statement from all class 1 risks that there

were no male drivers in the family under 25 and that they did not intend to use their cars for business purposes. This notification procedure did not entertain the possibility that there might be upgrading from class 1 to class 2 or 3 with resulting overcharges, which is precisely what took place. If the insurer failed to receive a special statement from the automobile dealer, it automatically, in many instances, assigned the risk to the highest rated classification, class 2. These misclassifications yielded higher incomes to the insurer and larger commissions to agents at the expense of the policyholder.

The department immediately instructed companies to get information from insured for proper classification and asked National Automobile Underwriters Assn. to change its manual procedure to require information for rating purposes to be furnished by insurers in every case.

Most collision policies on financed automobiles are written for more than one year, he observed. Consequently, insured 23 or 24 who purchase these policies reach their 25th birthday during the term of the policy. Yet, the department investigation revealed that class 2 rates were being charged for the entire policy period. In no instance was the classification changed and premium differential refunded unless the insured specifically requested it. This inequity was corrected.

The department currently is testing the effectiveness of this procedure by visiting and inspecting company records. The department also is getting a statistical analysis of all classes of automobile collision insurance written by companies for a period of six months, from NAUA, to check the effectiveness of this program.

In addition, the department instructed companies to make refunds where warranted. This program is now in progress and to date more than \$1 million has been returned to policyholders in the state.

Since it was possible that misclassification was also taking place in companies other than those specializing in finance business, a spot check was made of the files of a multiple line company, Mr. Trupin reported. Here, too, misclassification was serious. Consequently, the department directed the 425 companies authorized to write automobile collision in the state to submit complete reports on their collision business in connection with financed automobile sales. These reports revealed further evidence of misclassification, and the companies involved were directed to initiate refund programs. The department presently is engaged in auditing these programs.

(CONTINUED ON PAGE 32)

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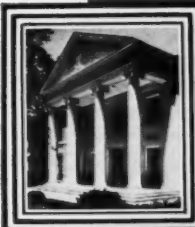
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Multi-Peril Conference Elects R. H. Lange Executive Chairman

Multi-Peril Insurance Conference elected Roland H. Lange of Hartford Fire chairman of the executive committee at its first meeting in New York. Charles M. Close of Great American was named vice-chairman.

The executive committee includes Aetna Life, Aetna Fire, America Fore, Employers, Fireman's Fund, Great American, Hartford Fire, Home, Royal, St. Paul F.&M., Travelers and U.S.F.&G.

H. F. Perlet, general manager, reported that as of May 15 the conference had 190 member companies and 63 subscribers.

J. F. Bender, H. J. Mueller and C. R. Rauter were appointed assistant managers.

Glens Falls Promotes Three in East

Glens Falls has advanced Laurance G. Doyle, manager at Philadelphia, to secretary and transferred him to New York, and promoted William A. Hornberger to manager and W. Brooks Evert to assistant manager at Philadelphia.

Mr. Doyle entered insurance in 1930 and joined Glens Falls as a claims adjuster in Philadelphia in 1933. He was transferred to the south New Jersey field in 1935, returned to Philadelphia as superintendent of agents in 1941, and was named fire and casualty manager there in 1945.

Mr. Hornberger began his insurance career with Glens Falls in 1941 as a claims adjuster. Later he was Philadelphia special agent, and in 1953 he was advanced to superintendent of casualty there. He was named agency superintendent last February.

Mr. Evert joined the company in 1945 as special agent in eastern Pennsylvania. Named superintendent of fire in Philadelphia in 1953, he also was appointed agency superintendent there in February.

New Zealand Opens Service Office at San Jose, Cal.

New Zealand has opened a service office at San Jose, Cal., with Justin D. Mort, special agent, in charge. He has been in the peninsula and San Jose territory for three years. Robert T. Sullivan has been appointed special agent in Los Angeles. He has had experience with Pacific Fire Rating Bureau and Royal-Liverpool group.

Pacific Fire Amends Name

Stockholders of Pacific Fire at the annual meeting in New York voted to amend the company name to Pacific Insurance Company of New York to indicate that it writes multiple line coverage and to clearly identify it as a New York corporation.



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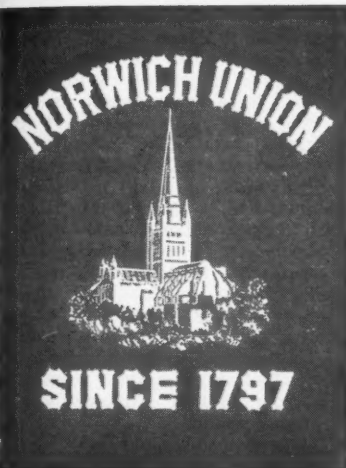
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Va. Agents Assn. to Hold Annual at Roanoke June 17-18

Virginia Assn. of Insurance Agents, when it holds its annual meeting June 17-18 at the Hotel Roanoke in Roanoke, will have as the theme, "The Independent Local Agent—His Future."

Prior to the opening of the convention, a meeting of association directors and a dinner for past presidents and their wives will be held June 16.

Robert E. Battles, president of the national association, and Allan H. Miller of Hackensack, N. J., chairman of the NAIA advertising committee, will address the first general session Monday morning. Mr. Miller will discuss the NAIA advertising program.

President Giles Robertson of Richmond will give the report of administration.

Monday afternoon, L. Vaughan Grady, vice-president of Home, will speak on "The Mirror Talks Back," and R. Newell Lusby, vice-president of America Fore group, will discuss the uninsured motorist.

A local board "dutch treat" breakfast will get the second general session underway on Tuesday. "Trends in Insurance" will be surveyed by T. Nelson Parker, insurance commissioner of Virginia, prior to an executive session and election of officers.

At the banquet Tuesday evening, William E. Booth, vice-president of Cherokee, will give a talk entitled "Illegitimi Non Carborundent." Association awards will be made, officers installed, and a certificate of merit and appreciation presented to the retiring president.

Travelers Indemnity Names Roberts in Ind.

Arthur S. Roberts has been appointed manager of fire and marine in the South Bend branch of Travelers Indemnity. He joined Travelers at Newark in 1930 and was promoted to assistant office manager there in 1945. He became a field supervisor at South Bend in 1947 and was promoted to assistant manager there in 1950.

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Reviews Credit Insurance for N. J. Agents Group

(CONTINUED FROM PAGE 29)

The package plan used in connection with financed automobiles has grown remarkably in recent years, he observed. The coverages in the plan are group or individual credit life, limited A&S, bail bond, travel emergency certificate and, in some instances, towing and labor. These coverages are sold in a single unit or package and the borrower is charged \$1 dollar per annum for each \$100 being financed, or \$18 a year regardless of the amount being financed.

The department found that the purchaser was not informed of the total cost of the package nor was the premium for each type of insurance indicated on the conditional sales contract, he said. The New York property law has been amended to require all such contracts to specify the amount of insurance and other services included. However, the cost is still lumped and does not break out the individual components of each item. In most instances, the borrower is not even aware that he is purchasing these optional coverages.

The cost of such a plan is illustrated by a \$2,500 car sale to be financed over two years. The total cost to the borrower at 1% per annum is \$50. Premiums paid by the financing institution are \$25 for group credit life for two years (50 cents per \$100 of amount to be financed), \$3.28 for limited A&S and 40 cents for bail bond certificate. This adds up to \$28.68, leaving \$21.32 to purchase the travel emergency certificate.

The insurance premiums account for 57% of the total charge, while 43% is absorbed by a non-insurance service, the travel emergency certificate. The net cost to the finance institution for the group credit life is, in most instances, considerably less than the \$25 because of subsequent experience rate refunds.

The limited, individual A&S policy has three schedules. The schedule with the \$10,000 maximum is limited to accidents incurred by fare-paying passengers on railroads, ferry boats, steamships or electric railways and not automobile accidents. The schedule with the \$1,000 maximum is applicable to the most common types of travel accidents incurred in automobiles or as a pedestrian.

Moreover, a valid claim in this contract is limited to the actual loss of life or limb or eyesight within 30 days of accident. Broken bones, sprains or even complete paralysis are not compensated for unless accompanied by amputation. If such a policy was separated from the package and offered on the open market, it would find few buyers, Mr. Trupin observed. The restrictions contained in the A&S policy combined with the generally limited period of exposure involved in a credit transaction raise serious doubts as to the appropriateness of this type of coverage in the consumer credit field. The amount of the premium, \$3.28, is paltry but the benefits are even more so, he declared.

This A&S policy, with a premium of \$3.28 for two years, merely dresses up the package to give the purchaser the impression he is getting useful and substantial A&S protection, he said. Its sale also may violate the insurance law. The department's chief counsel opines that "the sale of individual credit life insurance policies, individual credit policies and limited accident policies in the manner de-

scribed violates section 193(3)." This section prohibits sale of life or A&S in combination with the purchase of goods, securities, commodities or services, excepting only credit life.

Enforcement of this opinion is being undertaken by the department.

1957 Time Saver Is Off the Press

The continuing progress in providing individual voluntary coverages for the American people is very much in evidence in the new *Time Saver* for accident and sickness insurance for 1957, the 34th year of that publication. It is compiled for agents each year by the *Accident & Sickness Bulletins* of the National Underwriter Company, Cincinnati. It has 960 pages and its price is \$6.50.

The *Time Saver* describes individual commercial, non-cancellable, and guaranteed renewable types of policies and their riders, issued by 91 companies and organizations which together represent the major premium volume in those coverages. The descriptions are complete as to coverages provided, premiums for all ages, exclusions, reductions, special provisions, limits written, and supplemental data.

It is estimated that the new edition represents a greater number of important changes in policies and premiums in a year's time than any previous edition in a good many years. These are noticeable in comparing it with last year's edition: The new contracts, more non-cancellable policies, issuance of more guaranteed renewable forms with adjustable premiums, more long-term income coverages, developments in guaranteed coverages for senior ages, new versions of major medical, and premium changes.

The book is a real "handful" of policy information. It is compact, of handy small page size, and is printed on durable thin paper. It provides the answers to countless questions about the contracts it describes. It has two indexes, one of companies and one of policies, and contains a foreword that explains how to get the most from the contents. Its supplementary information includes a summary of social security disability benefits, the wording of the uniform policy provisions of 1950 with comparisons to the old standard provisions, and analyses of disability provisions in life policies of some 170 companies.

Bituminous Casualty to Have 2 for 1 Stock Split

Stockholders of Bituminous Casualty at the annual meeting in Rock Island approved a two for one stock split, increasing the number of shares from 40,000 to 80,000 and changing the par value from \$25 to \$12.50.

Carl A. Mangelsdorf was elected a director to succeed Harry J. Cozad, who is now living in Tampa.

Hanson to Fargo, Cowles to HO of Anchor Casualty

Anchor Casualty and Queen City have appointed H. N. Hanson manager at Fargo to handle North Dakota and northwestern Minnesota. S. G. Cowles, who has been Fargo manager, is promoted to home office claims supervisor.

Mr. Hanson has been with Anchor Casualty since 1948. Mr. Cowles joined the group the same year.

Expect \$10 Million Insurance Loss from K. C. Tornado

KANSAS CITY—Insurance loss from the tornado which struck just south of here May 21 probably will run about \$10 million, according to the estimates of adjusters.

Uninsured loss probably will add considerably to this figure. It appears that dwellings, private and business properties generally were adequately insured, and in fact in one suburban real estate development which was hard hit, Ruskin Heights, there is developing an element of over-insurance, but generally there is a woeful lack of household goods cover.

Original newspaper estimates placed total loss at \$20 to \$25 million and Gov. Blair petitioned President Eisenhower for a disaster relief fund of the latter figure. The President declared the tornado-torn area a disaster area, as was done by the National Board which designated it serial 82.

Ruskin Heights, a model residential village, got the full brunt of the twist, with estimated total destruction of 281 homes, major damage to 74 homes and minor damage to 217, in addition to complete wrecking of the community shopping center including a large A&P store. Also, the new high school and old junior high school buildings and separate gymnasium which were dedicated just a year ago were totally destroyed, with estimated loss of \$1 million spread among many companies.

Hickman Mills suffered 112 homes destroyed, 64 major damage and 65 minor losses; Martin City, 25 destroyed, 31 major damage and 19 minor; Spring Hill, Kan., 12 homes destroyed, 10 minor damage.

The Ruskin Heights residence loss alone appears to be about \$3½ million. Homes in this area sold from \$9,000 to \$12,000, averaging around \$10,000. No down payment was required by the builders and insurance covered all or most of the purchase price, including lot. Adjusters are having to explain to claimants that since the lots remain undamaged no allowance can be made for them in settling losses. But they are finding most claimants reasonable.

In addition to homes which were a total loss, probably some 500 other homes were damaged from \$500 to \$5,000.

The Ruskin Heights school property with about \$1 million of coverage was carried in the stock companies. The Presbyterian church there, only a year old, also had stock insurance of around \$80,000.

Allstate established an emergency inspection and adjustment station in a station wagon at Ruskin Heights with staff adjusters on duty. Of losses so far adjusted, 28 were total. Farmers of Los Angeles has a mobile car at the Ruskin Heights shopping center. Universal CIT advertised aid to owners of tornado-damaged autos or trucks financed through it and the promise of no difficulty in reducing finance payments and of no pressing for payments. Pacific Mutual Life offered tornado victims latitude in paying premiums where due after April 15, with an extension to July 20.

Lancaster (Pa.) Agents Meet

Lancaster (Pa.) Assn. of Insurance Agents presented awards to the six winners of its "Most Courteous Driver Week" at the May meeting. H. C. Kreisle, secretary of American Automobile Assn., was speaker. He discussed driver training in the schools.

Benefit Duplication Is Major Problem for A&S Business: Moreen

Duplication of benefits is one of the most serious problems facing voluntary health insurance, Vice-president Howard A. Moreen of Aetna Life told the annual meeting of Health Insurance Council at Chicago where he was reelected council chairman for a second 1-year term.

The business recognizes the objections to over-insurance and fears that widespread duplication may inflate the cost of medical care, Mr. Moreen said. An increasing number of employers financing liberal employee benefit programs view duplication as an economic waste. The question of whether an employee should be allowed to make a profit by being sick has a great effect on the relationship between the industry and the medical profession.

Although major medical and comprehensive are recognized widely as the real answer in providing adequate voluntary health protection, there is a danger of excessive charges. Insurers must be alert to factors which could destroy the coverage which is the true hope of voluntary protection.

The relative value fee schedule and Defense Department's medicare program are other developments affecting future insurance benefits and their costs, Mr. Moreen said. Insurers should make more use of the uniform claim forms developed by the council. Doctors have every reason to expect to see tangible evidence of these programs soon. The business must strengthen its relationship with the medical and hospital professions in order to make voluntary health insurance more effective, he said.

Morton D. Miller, associate actuary of Equitable Society, who has been chairman of the technical advisory committee, was named to the newly created post of chairman-elect of the council at the 1-day meeting. Miss Alice Chellberg, assistant secretary of American Mutual Alliance, was reelected secretary.

Reelected vice-chairmen were C. Clark Bryan, assistant general counsel of American Life Convention; Louis A. Orsini, assistant director of information and research of Health Insurance Assn. of America, and James R. Williams, vice-president of Health Insurance Institute. Albert V. Whitehall, associate director of health insurance of Life Insurance Assn. of America, was elected a vice-chairman to succeed James Andrews Jr., director of health insurance of LIA.

Standing committee chairmen for the year are Arthur M. Browning, vice-president of New York Life, hospital relations; E. J. Faulkner, president of Woodmen Accident & Life, medical relations; Steven D. Williams, 2nd vice-president of the group department of Connecticut General, technical advisory, and Howard LeClair, vice-president of Mutual Benefit H&A., uniform forms.

New Wis. Mutual Assn. Meets

Western Wisconsin Town Mutual Assn., formed recently by eight mutuals in La Crosse area, held its first meeting at Medary. The principal speaker was Commissioner Rogan, who outlined operations of the insurance department.

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3. ACCURACY There is never a "lick-and-a-promise" when AMERICAN goes into action on a replacement job. From a small board-up to installation of a giant show window, the job is carefully done, insuring against call-backs or complaints.

4. EXPERIENCE Our replacement crews are not only carefully trained in the details of glass handling, but have many years of all-important actual experience behind them. This knowledge gained over a long period of time is an important part of our service.

5. SATISFACTION The aim of every one in business is to please the customer so that he will buy again. By calling AMERICAN GLASS for your glass replacement, you will insure renewal of your clients' coverage. His satisfaction through AMERICAN GLASS service will benefit you!



50 years* of uninterrupted national advertising
combined with **147 years** of outstanding performance
have made this famous trademark one of the
independent insurance agent's most productive sales aids

*1957 marks the fiftieth consecutive year in which Hartford advertising has appeared in the Saturday Evening Post.

Year in and year out you'll do well with the

Hartford Fire Insurance Company Group

Hartford Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company
Citizens Insurance Company of New Jersey
Hartford 15, Connecticut

New York Underwriters Insurance Company
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Northwestern Fire and Marine
Insurance Company
Twin City Fire Insurance Company
Minneapolis 2, Minnesota